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Foreign Minister Bocka Meets Saudi Ministers

AU3112153791 Tirana ATA in English 1023 GMT 31 Dec 91

[Text] Tirana, December 31 (ATA)—In the course of his official and friendly visit to the Kingdom of Saudi Arabia, the Albanian foreign minister, Ilir Bocka, was received by Dr. Hamad al-Sayyari, the governor of the Saudi Fund for Development and minister of finances, with whom he discussed possibilities of expanding cooperation in the economic field of investing and financing the new projects. Dr. Hamad al-Sayyari voiced the readiness of the Saudi party to back up Albania in financing the various projects in the field of constructing the motorways, hospitals, schools as well as in the field of agriculture.

The Albanian foreign minister, Ilir Bocka, was likewise received by Dr. 'Alawi Darwish Kayyal, minister of pilgrimage, posts, and temples. During the meeting they talked on expanding cooperation between the two countries in various fields and especially in religious ones.

Details Domestic Developments

AU0101152892 Tirana ATA in English 1021 GMT 1 Jan 92

[Text] Tirana, January 1 (ATA)—On December 31, the Albanian foreign minister, Ilir Bocka, was received at the royal palace by 'Abdallah Bin-'Abd-al-'Aziz al Sa'ud, the crown prince and deputy premier of the Kingdom of Saudi Arabia.

During the meeting, the Albanian foreign minister made an expose of the democratic developments in Albania, of the economic hardships the country is undergoing as well as of the Yugoslav crisis and the situation in Kosovo. The crown prince and deputy premier of the Kingdom of Saudi Arabia hailed the reestablishment of the contacts between the two countries and the democratic achievements in Albania and underlined that his country is ready to materialize the relations as soon as possible.

The meeting passed in a friendly and constructive atmosphere.

PSSh's Chairman Dokle Speaks on Public Order

AU0101174592 Tirana ZERI I POPULLIT in Albanian 20 Dec 91 p 2

[Speech by Namik Dokle, chairman of the Socialist Party parliamentary group, to the People's Assembly in Tirana; date not given: "Ensuring Calm for the People—Every Government's First 'Speciality'"]

[Text] This parliament has now been working for about nine months, for good or ill. I say "for good or ill," because that is how I hear people judge it. We have made good laws, but they are not properly enforced. We have planned the legal measures for the reform that will see the end of the economy's communist phase, but the removal of some distinguished economic reformers from the government was a sudden interruption. Of course, this is no "perpetual storm," but its effects will be felt for a considerable time. Precisely what people feared happened. Churchill said, "Ordinary politicians are essentially different from statesmen.... Statesmen think of the future, but politicians only of the next election." It is extraordinary that, at the very moment when the world's political analysts say that "The Socialist Party... has accepted unprecedented reforms in this small Balkan state" (REUTER 12 November 1991), certain circles accuse this same party of obstructing the reforms, lack of flexibility, or radicalism.

Some people may wish our parliamentary group to be radical and inflexible. It could pay a political toll for this, out of a desire for such a situation or a wish to tilt at windmills. If we admit that this parliament has approved democratic laws, is this not also to the credit of the majority, which could have thrown these bills into the wastepaper basket if it had wished to show itself to be radical and inflexible? We have discussed, debated at length, and blocked the approval of what is against our convictions. However, let us not forget that this is in the final analysis a sign of democracy, and one moves toward democracy through convictions and not under instructions from red or white telephones. Those who think that deputies of whatever group should blindly obey the views of overt or covert leaders, government orders, etc., should have the goodness to admit that they are thinking antidemocratically. Orders are not democratic, but antidemocratic. Balkan, patriarchal follow-my-leader is not democratic, but undemocratic.

Nevertheless, this parliament has done work that will be remembered: It "devoured" two governments in six months, even though the people did not manage to fill their bellies properly.

The concern created among the entire people by the Democratic Party's spectacular withdrawal of its ministers from the government, though not from government at other levels of the state, calls for clear and tangible action in order to send the people a message of calm and confidence. At such a time, it is quite ridiculous to pour forth a stream of insinuations and insults at the expense of different political forces. We have frankly stated several times: We have never wanted Albania's destabilization at a time when the destinies of the homeland and the nation are at a historic crossroads that could lead us to everything we have ever dreamed of, or to nothing. We have frankly said that it is a national disgrace to burden the people, who have already suffered enough and are exhausted, with internal party crises or the thirst for power of a dozen politicians, whoever they may be. When we heard the words of a former minister at the government meeting, who warned of burning, destruction, and death, and then experienced the bitter events of Lac and Fushe Arrez, we realized the peril facing us. Why is this happening? The ancient Romans had a good saying: "Mater certa, pater incertus" (Mother is certain, father is not).

It is not the time to play political tunes on weary and broken people and to derive ill-gotten gains from their miseries and difficulties. Any kind of crisis now paves the way for anarchy and the actions of uncontrolled forces, even acts of a terrorist character, which, if not restrained, could lead to the establishment of a neototalitarianism that could destroy the fruits of democracy. I would therefore responsibly and sincerely ask all my fellow- deputies to be more prudent and responsible to the nation. Let us use this influence on the various political forces, in society, and among the people.

In this spirit of work and of an informal vote of confidence, we would allow our third government to work in people's interests and to guarantee the objectives it has undertaken:

— Continuity in supplies to the people and the supply of raw materials.

— Efforts not to interrupt the reform.

— Ensuring calm and public order. Regarding this problem, as early as 18 November I submitted a bill on preventing the new classes of crime in Albania, such as:

— Organized looting.

— Threats of physical violence.

— Kidnapping.

— The blockade or damage of roads and means of transport.

— Theft, damage, or abuse of humanitarian aid.

— Drug traffic or use.

— Carrying unlicensed weapons.

— Official corruption.

— Speculation in essential goods produced or imported by the state.

I am not a lawyer and cannot accurately judge problems that are not part of my speciality. However, ensuring calm for the people is the first "speciality" of every deputy and government.

Finally, preparation for the new elections, which must be held as soon as is legally and organizationally possible, so that we will not disgrace ourselves before people with vacuous declarations, to the extent that kindergarten tots have begun to laugh as they recite:

"Leave your pickax, leave your spade

Start to issue declarations

Then you win a decoration."

One of the wise sons of our people, the famous Faik Konica, said as long ago as 1925, "Not words but pickaxes. Not meetings but pickaxes, plows, sickles, sieves, and ovens. Enough of eulogies. My heart is so full of tears that I cannot weep. But after all, I can only say what I know. You are free to do what you want."

PSSh Paper on Balance of Political Parties

AU0101200092 Tirana ZERI I POPULLIT in Albanian 25 Dec 91 p 1

[Editorial: "Who Really Holds Power?"]

[Text] The country's severe economic, political, and social crisis is familiar. The efforts to overcome this situation are also familiar, although they are virtually marking time. Under such circumstances, it is natural to look for causes and culprits, simply in order to find the most effective ways of eliminating obstacles, abuses, and speculation at the expense of democratic processes. All this is quite normal.

However, it is regrettable that the opposition parties, in the undeclared electoral campaign that we have now been living through for some time, instead of calling things by their true names and thus contributing to an improvement of the situation, have been speculating about imaginary culprits in an attempt to win political capital. Their motto is: Let us insult as much as possible the Socialist Party, which brought all these evils on us! To support this, they have created a vulgar political vocabulary about "socialist wielders of power, laborites, communists, cryptocommunists," and other creations of a sick political mind. Their aim is clear: to blame the Socialist Party as much as possible for all the difficulties we are experiencing, for unemployment and market shortages, for the chaos that prevails everywhere, the absence of public order, the failure to enforce the Land Law, the pace of the reforms, etc. The opposition parties assume no responsibility for themselves. They even refuse their share of responsibility for the National Stability Government, in order to appear "clean" before the people. "Look, we do not have the slightest responsibility for the state of the country!" What fine logic.

However, there is another kind of logic, the logic of facts, that sets no store by catchphrases. It shows who in fact holds power today and who should be held accountable to the people for the difficulties we are experiencing every day.

Of the three branches of the state (legislative, executive, and judicial), the Socialist Party today dominates only the legislative branch. The results so far of the first pluralist Albanian parliament are now well known; despite objective difficulties, it has done generally satisfactory work, all the more so when new laws have generally been approved by consensus.

Until a few days ago, the central executive power was a pluralist body including five parties. We are all grateful for what it did. However, the ministers of a sole party, specifically the Socialist Party, cannot be blamed for its failures and shortcomings. This would be immoral, although the Democratic Party's leader sold the work of

the party's own ministers very cheap. The government now consists of independent intellectuals, and it would again be immoral to blame a handful of intellectuals for a failure to reach objectives that we know they cannot attain. Unfortunately, some opposition parties are again hurrying to claim that "they did not express their opinion on the ministers of the new government" (their hearts bleed for the nation's woes), and even rake up these ministers' pasts. This is a kind of excuse that warns us not to be surprised tomorrow or in a week when they launch unscrupulous attacks against them.

Who dominates local executive government? The greatest paradox lies here. The opposition parties, especially the Democratic, Republican, and Social Democratic Parties, criticize the "wielders of power" and seem to forget that they themselves have a majority in local government, an illegitimate majority gained through overhasty political agreements. Let us talk in figures:

Of the 396 members of the pluralist district executive committees, the Socialist Party has only 164 members, or 41 percent. The opposition as a whole has a total of 232 members or 59 percent, and the three parties of the opposition coalition 205 members or 51 percent. Thus, it is this opposition majority that enforces (makes) the law in the districts.

Let us take this further. Out of a total of 76 members of the presidiums of district executive committees (chairmen, deputy chairmen, and secretaries), the Socialist Party has only 33 members. To go further still, these committees manage their day-to-day business in sections. Here, too, the opposition has an absolute majority. Out of a total of 303 section chiefs, the Socialist Party has only 131, while the opposition has 172. It would be superfluous to continue to the level of administrative directors, of whom the overwhelming majority have been appointed by these executive committees, in which, as we said, the opposition holds the majority.

We ask this question: If the opposition parties have criticisms of local government, why do they not decide to withdraw their representatives from this level of government, as they did their ministers, instead of keeping them in place? Or do they need local government in order to prepare (manipulate) the new electoral campaign?

To be accurate, the Socialist Party has an absolute majority in the executive committees of only four of the country's districts, in Tropoje, Kukes, Skrapar, and Gramsh. Meanwhile, the opposition has a majority in 24 other districts. We do not believe that it is the four aforementioned districts that are "muddying" the waters of Albania. In Shkoder and Tirana Districts, the Democratic Party alone has an absolute majority in local government. Is the Socialist Party to blame for the fact that these two cities do not have electric light or regular bread supplies, that the Land Law is not being enforced, etc.? We do not want to start a purge, but wherever the opposition holds power it solves nothing, or destroys more than it repairs. We think it is necessary and in the people's interests to make some replacements, since the political agreement was violated so brutally and in a premeditated fashion.

Let us not forget that the opposition, although it withdrew its ministers from the government, left among the ministries several dozen deputy ministers, directors of directorates, etc. Would it not be a good idea for the new, impartial government to remove all these officials with party affiliations and to replace them with other honest people without political commitments? Then the opposition would have no opportunity to hurl abuse at the "wielders of power."

Foreign Minister Ganev Visit to Iran Reported

AU0101191592 Sofia BTA in English 1844 GMT 1 Jan 92

[Text] Tehran, January 1 (BTA)—Mr. Stoyan Ganev, Bulgaria's minister of foreign affairs, arrived on an official visit to Iran yesterday. Interviewed for Iranian Television at the airport, he stressed that the Bulgarian Government sets great store by Bulgarian-Iranian relations and hopes they will take a normal friendly course. The new international situation also gives grounds for such optimism, Mr. Ganev said.

The two foreign ministers discussed economic relations, especially large-scale projects for the supply and processing of Iranian oil and natural gas, which can be of key importance for Bulgaria's economy.

Some details of the projects were high on the agenda at the talks between Mr. Ganev and Iran's ministers of heavy industry and transport. The projects envisage the construction of a gas line connecting Iran with Europe passing through Bulgaria and the exploitation of a water highway between the ports of Burgas, Poti in Georgia and Iran.

Mr. Ganev suggested that experts from Bulgaria, Iran and Azerbaijan meet in Burgas in February 1992 to discuss these questions. The Iranian side accepted the proposal.

Mr. Ganev was received by Iran's President Hashemi-Rafsanjani. In a friendly conversation which lasted over an hour they discussed opportunities for oil supply from Iran on very favourable terms for Bulgaria.

Iran's president received an invitation from Bulgaria's President Dr. Zhelev to visit Bulgaria.

It became known last night that Iran's leadership had decided to grant Bulgaria a credit for the supply of half a million tonnes of oil this winter with a view to the needs of its power generation. It was decided that early in 1992 experts of the two countries will start negotiating the exchange of Iranian oil for Bulgarian goods.

The hosts said they were pleased with the businesslike approach taken by the Bulgarian delegation.

Intelligence Director Says 47 'Retired'

AU3112194791 Sofia TRUD in Bulgarian 20 Dec 91 pp 1, 3

[Interview with Major General Brigo Asparukhov, director of the National Intelligence Service, by TRUD reporter Dimitur Statkov in Sofia; date not given: "Is Bulgarian Intelligence Being Destroyed?"]

[Excerpts] [passage omitted]

[Statkov] Mr. Asparukhov, what is happening with our intelligence service?

[Asparukhov] I assumed my post on 2 September. Since then 47 people have retired. Sixteen of them were heads and deputy heads of departments and sections who were relieved of their posts on the first day. Eleven of them were released from the service, while the rest were left in their departments although not as heads, because they did not have sufficient seniority or length of service to qualify for pensions. Those 11 employees could not remain, because their presence created tension among the employees. They were proteges of former dignitaries of the Ministry of Internal Affairs such as Dimitur Stoyanov, Stoyan Savov, Vlado Todorov, and Ivan Gorinov, all of whom now are being investigated by the relevant state organs. The "team" of proteges participated to one degree or another in all combinations and machinations of the former leadership of the Ministry of Internal Affairs, and in all the personnel games and intrigues. The unscrupulous campaign against the new leadership, which they began, was another reason for retiring them. [passage omitted]

[Statkov] Was TRUD right to say on 6 May 1991 that the former First Main Administration of State Security—the intelligence area—is a refuge for the children of nomenklatura members?

[Asparukhov] You know that the so-called scientific-technical intelligence area existed within the structure of the National Intelligence Service, and before it, in the First Main Administration of State Security. At the beginning it was very beneficial for Bulgaria. However, later it was usurped by noted political figures and really became a refuge for children of high- ranking officials—sons, daughters, and sons-in law. From a sensible department it became something of a burden, something like an administration within an administration, which numbered 220 members! Places were sought mainly in Europe, America, and Japan. When in March a decision was adopted on closing down the scientific-technical intelligence group, as well as a political decision on stopping our intelligence activities in the European countries, those sons, daughters, and sons-in-law were recalled. It was precisely they who tried to create an impression that there were repressions and that intelligence is being destroyed!

[Statkov] Is it true that many of them refused to return and remained in the countries in which they used to work, this time as private business companies' employees?

[Asparukhov] Most of them returned but dozens remained abroad. Some of them even refused to come to a personal meeting with us and sent their reports through other people. However, let us not deceive ourselves—the foreign counterintelligence services know very well what those people have done in their countries. Something else is much more important: Those who remained abroad know certain secrets. They know our information sources and we are exceptionally concerned with the fact that now those people could work against us. We, as the leadership, have the right to investigate their possible

failures and analyze them. For the time being those people have no reason to be concerned that when they return they will be held responsible for anything. The fact is that they can return without any problems, no one will bother them, but ... they do not come to us. I signed an order to review the presence of our former employees on the territories of the relevant countries, and check what vehicles and passports they use, where they live, and what companies they have. Then, something very unpleasant emerged: It turned out that those people have preserved their diplomatic passports with all the ensuing privileges, have kept their service cars, and impertinently continue to use diplomatic license plates. At the same time they conduct private business! This is a scandal that is dangerous for our state's authority and national security. Therefore, we have adopted measures on seizing their passports and vehicles, if they do not own them personally. I await with great impatience the bill on the National Intelligence Service, which we intend to submit to the Council of Ministers. This bill will precisely regulate our activity, including the company issue. It is well known that Western intelligence services create their own companies and utilize them for specific goals. However, for the time being our employees will have to choose between the companies and the service. [passage omitted]

Some 2,000 Colonels May Be 'Released' From Army

AU3112195791 Sofia DUMA in Bulgarian 28 Dec 91 p 1

[Vasil Popov report: "Some 2,000 Colonels Will Say Farewell to Arms"]

[Text] According to a promise by Dimitur Ludzhev, as of today the Ministry of Defense will freely open its main entrance for people who come on official business, journalists, and other official visits. The only obstacles could emerge in connection with some technical details related to organizing the issue of entrance permits and establishing the unit in charge of issuing the permits.

Simultaneously, colonels who have reached the age of 50 are pondering the order signed by Ludzhev on Christmas eve, according to which military service will be brought into accord with the current Law on General Military Service and the Regulation on Retiring Officers and Reenlisted Sergeants. According to the law, colonels serve until the age of 50, and lieutenant colonels—to the age of 45.

For decades this requirement was not observed. Colonels used to remain in office until the age of 58, and lieutenant colonels—until the age of 50. At present, almost one third of the officers belong to that category, an informed military personnel expert maintains. Ludzhev promised that he will not fire anyone, indeed, he will not fire anyone, but merely bring things into accord with the law. If the order is implemented to the letter some 2,000 colonels will say farewell to arms. This will include seven classes—those born from 1935 to 1941. If one adds to this the 'older' lieutenant colonels, some 30 to 35 percent of the officers will part with the military, the same source maintains.

An officer close to the General Staff and the Ministry of Defense thinks that the defense minister clearly understands the problem and does not intend to break the backbone of the Bulgarian officer corps. It is well-known that most of the cadres who belong to this category occupy leading posts—commanders of divisions and regiments, heads of administrations and departments. Therefore, by the end of January an order will be issued that will contain the names of those who will be released. Every name in this order will be personally discussed.

It is very possible that the impending releases will not become a political purge, but cleansing aimed at increasing professionalism, a colonel about to retire says. However, all this is taking place at a time when organizational changes are to be implemented, and when the new structures and needs of the officer corps are still unknown. Other sources say that at present some 900 persons are needed in the commanding staff. Massively releasing officers in the midst of the academic year could disrupt the combat training of the troops, a combat commander thinks.

Military Agreement Signed With Turkey

AU0201085392 Sofia BULGARSKA ARMIYA in Bulgarian 23 Dec 91 p 4

["Sofia Document on Mutually Supplementing Measures To Strengthen Confidence and Security and Military Contacts Between Bulgaria and Turkey"]

[Text] The chiefs of General Staff of the Republic of Bulgaria and the Republic of Turkey—and the two states—participants in the CSCE met in Sofia from 16-20 December 1991.

Recalling their countries' obligations ensuing from the Helsinki Final Act, the Document from the Stockholm Conference, the Paris Charter for a New Europe, the Joint Paris Declaration, and the 1990 Vienna Document;

Expressing once again their conviction that efforts on a bilateral and multilateral basis must be aimed at the further development of the CSCE—a process in which all constituent parts together represent a complete whole;

Bearing in mind the importance of military openness and contacts, which incidentally were also furthered by the seminars on military doctrines conducted in Vienna within the CSCE framework;

Aiming at making a positive contribution to strengthening security and confidence in the Balkans and in Europe through their bilateral efforts;

Recognizing that the contribution of all other states from the region will be especially beneficial in strengthening the security and confidence in the Balkans;

Affirming their intention not to violate the military interests of a third country at any stage;

Recalling that they retain their rights either to be or not to be participants in agreements and unions;

Noting that their rights and obligations in accordance with previous legal or political commitments will not be compromised;

They decided to make a start at a bilateral process, that is aimed at strengthening confidence and security in the region on the basis of dialogue and cooperation, that will be implemented in stages and concentrate their efforts in the following areas:

The further strengthening of confidence and security along the Turkish-Bulgarian border and improving the exchange of military information;

The expanding of military contacts.

In accordance with the above the following was adopted:

II. Measures for Strengthening Confidence and Security and Improving the Exchange of Military Information To Be Implemented in a Specific Zone of Application Along the Turkish-Bulgarian Border

1. The two countries will give each other advance notice of military activities to be conducted by them on their respective territories within the borders of the following zone of application, stretching from Burgas, Straldzha, Boyadzhik, Rogozinovo, Shtit, Buyukdyolyuk [name as published], Turgutbey [name as published], Tozaklu [name as published], and Kiyikoy.

2. Military activities will be the subject of notification whenever they include: At least 10,000 personnel; at least 250 combat tanks; or at least 200 artillery guns with a 100-mm caliber or more; if the troops are organized in divisions or at least in two brigades/regiments that are not necessarily under the command of the same division.

3. Each side will invite observers from the other side when military activities are conducted that are liable for notification. The activities mentioned above will the subject of observation when the number of troops taking part number or exceed 12,000; or the number of combat tanks is equal to or more than 300; or the number of artillery guns with 100-mm caliber or more is equal to or exceeds 250.

4. The two countries will not conduct military exercises on the level of regiment or higher in the regions lying along their borders within 15 kilometers of the zone of application as defined in Paragraph 1 above.

5. Each side will give each other written notification, using diplomatic channels, as soon as possible but no later than 42 days before the beginning of military activities liable to notification in the zone of application defined in Paragraph 1 above.

6. Each side has the right to conduct an inspection and two visits for assessment on the territory of the other side in the zone of application defined in Paragraph 1 above, in addition to those envisaged in the 1990 Vienna Document.

7. Each side will refrain from conducting additional inspections and/or visits for assessment when inspections and/or visits for assessment are being conducted there by a third country.

8. Each side will set up a 24-hour continuous liaison post in their respective General Staff that safeguards the transmission and receipt of communications relating to the above stated measures around the clock.

9. The notification and format of their contents, the length of actions of these and other conditions relating to the observations, additional inspections, and visits for assessment will be subject to the respective conditions and procedures laid down in the 1990 Vienna Document.

II. Military Contacts

10. To increase openness and transparency through the expansion of military contacts within the framework of the 1990 Vienna Document, the two sides will encourage and facilitate exchange visits by the Naval Forces; exchange visits by commanding and general staff officers; cooperation in military training through:

Cadet and officer exchanges from military and staff colleges and visits by members of these institutes; officer for on the spot training in some military establishments or units; reciprocal participation in conferences and symposiums by high-ranking officers from headquarters and staff colleges; officer exchanges from battalion and regiment sections, as well as exchanges by equivalent counterparts in the Naval and Air Forces.

The two sides will encourage and facilitate sports activities for teams from the Armed Forces; cooperation in the joint use of the social facilities when accommodating soldiers during visits, contacts, and on the spot training of military personnel; military orchestra exchanges.

11. The procedures, programs, and other conditions relating to the realization of the contacts set out in paragraph 10 will be determined in yearly protocols.

III. Implementation Assessment

12. After one year, or earlier by mutual consent, representatives from the two sides will conduct a meeting to discuss the present and future implementation of these measures.

13. The measures adopted in this document are politically binding and will come into force as from 1 January 1992.

Defense Minister Outlines Military Reform

AU0101205092 Sofia BULGARSKA ARMIYA in Bulgarian 23 Dec 91 pp 1, 3

[Major Krasen Buchkov report: "Light for Distant Garrisons"]

[Text] After a series of meetings with administrations and departments of the Ministry of Defense and the Ground Forces Command, and after participating in various high-level meetings, Defense Minister Dimitur Ludzhev conducted four meetings, five to six personal interviews with commanders, and many consultations and briefings in the areas in which large military units are stationed. The goal was to put an end to rumors that are circling like ghosts in the Army, to provide some first-hand information, and, as the minister put it, to see "his troops." Minister Ludzhev was especially pleased with the fact that the first meetings with the troops were on the territory of the Third (Combat) Army, which includes units and commanders of his native city Burgas, and from Yambol—the city in which he served in the artillery more than 20 years ago, and which he represents at the National Assembly.

Without much explanation and ado, all meetings took place according to the same script — a brief introduction on the part of the minister and answers to questions posed by the military. The people received a clear idea about what has been done, what is being done, and what will be done in the near and distant future. For his part, the minister of defense sensed the prevailing mood in the Army, how the first reforms were accepted, and whether the changes are supported.

The rumors that something secret is being prepared in the Army are incorrect. Things take place openly with the participation of the best civilian and military specialists. The civilian structures in the ministry are necessary most of all for uniting the Army and society at various levels. The political leadership will aim at forming and developing the basic lines and tasks in the sphere of security. In this area the civilian minister will have the final word. He will adopt the political decisions. All issues related to preparing operational, mobilization, and other plans, to put it briefly—all purely military decisions—will be adopted by the General Staff of the Army.

In a normal civil society there cannot be a different status for officers and civilians. Army life cannot be regulated through various instruments, decrees, and other documents, in accordance with someone's whims. All distortions and deformations that have been allowed until now must be corrected, so that the officers can feel they are normal and secure citizens.

A strong legal-administrative department is needed by the ministry. It will prepare all basic laws. It is clear to all that the sooner the normative base is cleared by the National Assembly, the faster the reforms will proceed. It envisaged that the Law on Security (this is what the Law on Defense is called now), the Law on the Armed Forces, and all other laws will be submitted to the National Assembly after being reviewed for a third time at the Ministry of Defense. The goal is to adopt the laws by mid-February and thus regulate all activities in accordance with the new normative basis.

A new social department will be established at the ministry. It will regulate labor relations of the officers. It will also deal with military wages and incentives, leisure, medical treatment, housing, and so forth.

The medical administration will receive an autonomous position. An economic bloc will be created at the ministry and it will replace the current Material-Technical and Rear Supply Command. It will probably have three departments—military economy (related to the work of the enterprises, the construction organizations, transportation, and so forth), a department in charge of weapons and equipment, and a rear supply department. The personnel of that command will be drastically reduced and further duplication of functions will not be allowed. The troops will have direct contact with the departments through relevant balance sheets, orders, and so forth. The financial administration will serve as liaison.

Another bloc that will be established will deal with relations with society. It will have an international department, which will include the so-called military diplomacy area. A center for information and psychological influence will be created instead of the organs and administration of moral-psychological training. Such organs have no place in the Army for the simple reason that there could be no officers who are smarter than other officers or have superior morals, officers who could teach others to be like them by injecting moral or psychological stamina. There are other special methods for teaching this.

The soldiers must receive a great deal of information. How to do this will be determined by various psychologists, political scientists, and sociologists who will work in our special programs. Perhaps, only 100 of the 900 officers who at present are in charge of moral-psychological training, will remain in the Army. Some will leave the Army, others will become combat officers, and yet others will have to compete for their posts and implement the role of information officers who will serve the personnel.

There will probably be information secretaries in the various military branches, and in the regiments there will be information specialists. A special center for strategic studies will be created. The Army newspaper must become a modern newspaper. A military magazine like U.S. DEFENSE will be published, as well as various almanacs on military issues, which will appear periodically.

The "Cadres" Department will be abolished and replaced by a "Personnel" Department, as is accepted everywhere. The people who work in that department will not have special files. They will not subjectively

influence the appointment of officers and commanders. They will deal with the techniques and policy of selection and the preparation of various tests, which in the final account, will allow the best people to be selected.

The Law on Service Time will be activated in the Army already in August-September. This will take place in a differentiated manner and will mostly affect officers who served more than 20 years in central administrations that service the units, and to a lesser degree—officers in the combat units. There are services in which one does not even have to be in the military. The goal is to allow the younger generations of officers to get a chance and advance in their careers. This is a way of turning the Army into a less bureaucratic body. The system of increasing the number of service years and inflating the payroll belongs to the past. The solution must be sought in a different direction.

Under the present circumstances we cannot maintain a very large Army. Even the developed countries cannot afford the luxury of maintaining an Army whose commanding personnel represents 46-47 percent. For the time being we have 22,000 officers and 24,000 sergeants. Some 7,000 of those officers belong to the central command and almost 5,000 of them are pure bureaucrats. There will be cuts in this area. Selection will not be subjected to political considerations—whose son one is and whether he is Red will play no role. Only the Army's interests will apply.

Housing remains one of the main problems. Apartments for sale have been allocated, as well as a minimal number of service apartments. It is just to distribute apartments, but it is also just to subject this practice to the needs of combat readiness. The young lieutenants just out of military school who have no place to live are in the most difficult situation. It would be normal to maintain 30-40 percents of the apartments on the principle of rotation. The issue could be resolved by turning various construction organization into profitable enterprises and use their profits for the establishment of a special reserve or social fund.

As a part of the reform many of the units that are stationed along the borders will be redeployed deep inside the country. Why not use the facilities of a garrison such as the one in Karlovo, which has good facilities for training and is not presently being used very efficiently? In addition, it is better for the officers to serve in larger and more civilized cities, where they could more easily obtain housing.

The creation of a modern Army is mostly related to the proper training of the commanders. A scientifically-based method of promoting and moving officers in the Army will be created. There will be not only a vertical, but also a horizontal rotation. An officer will have many and various functions at different periods of time. He could be a lecturer at the Military Academy, and then serve as a combat officer, or vice versa. He could serve in a large staff, then become a field officer, and vice versa. Rotation will be mandatory. There will be new programs for training officers in the Military Academy. There will be various specializations in the West for senior and junior officers. In this sphere the language training of the officers gains special importance. This will be a major problem in the future. How could an officer study in France if he does not speak French? A special foreign language school for all officers who must study a foreign language will open in Bankya. In addition there will be 45-day courses and other projects aimed at improving foreign language training.

The meetings and interviews of the minister of defense continued from early morning to late at night. Even unpleasant information is better than rosy uncertainty. The truth loudly spoken by the Army's top man illuminated many problems that move the military in distant garrisons. The hope for a better future in our Army emerged through mutual frankness in questions and answers, a sense of mutual understanding, and cooperation in implementing the reform in the Army.

TRUD Leaves Publisher Due to Property Law

AU0101194992 Sofia TRUD in Bulgarian 23 Dec 91 p 1

[Text] Beginning on 23 December, the newspaper TRUD parts from its publisher, the Confederation of Independent Trade Unions in Bulgaria [KNSB]. We must immediately emphasize that this is not a divorce by mutual consent, nor, God forbid, through the fault of either party. It is a separation despite the feelings. It is forced upon us by the Law on the Confiscation of Trade Union Property, according to which TRUD can automatically be classified as state property. This means that not only can it be forced to turn into a government herald but in essence the trade unions are deprived of their newspaper.

We have already expressed clearly and categorically our unalterable stance at the adoption of this law, the conviction that the property of parties and organizations (and especially trade unions) cannot be classified together without differentiation. Especially in the case of TRUD, which from a formal view point is the legal property of the KNSB, we would also like to add the following fact: For many years before 10 November 1989, the newspaper was in fact completely self-financing, regardless of the fact that according to the laws of that time it was classed as a budget financed enterprise. This financial independence has been particularly striking during the last two years when as a result of the highly professional work of the entire newspaper's team, we, the editor's office, created the possibility of assisting, albeit in a modest way, the trade unions.

Thus, by parting with our publisher, we will begin to publish the newspaper afresh, following only the laws of this land, and—something that is especially important—with the enormous and crucial capital of the confidence of our tens of thousands of readers. Especially for them we announce once again that in TRUD now and in the

future they will find what they are used to finding, information not aligned to any political party or force, aimed at serving the cause of independent trade unionism. It will support the driving forces of democracy and defend hard working people.

Moreover, readers, as we wish you a happy Christmas and a peaceful 1992 in the name of all our colleagues, once more we say: TRUD as always will be with you now and in the future and you must not be angry with us if it becomes even better.

The Editorial Council of the newspaper TRUD

Zhelev, Ludzhev Speak at Rakovski Conference

AU3112204591 Sofia BULGARSKA ARMIYA in Bulgarian 23 Dec 91 pp 1, 3

[Major Krasimir Georgiev report: "With Concern and Thought for the Motherland"]

[Text] It is very difficult to assess the legion's conference. I do not mean the small protocol misunderstandings. The difficulties stem from the failure to answer the main question posed by the majority of the delegates—do we need the legion, and if yes, what legion? The pain, problems, views, and proposals expressed by the almost 200 delegates from the floor or from the rostrum were familiar. I mean the officers' problems—cadre development, social status, housing, and so forth. In addition, there were the purely "legion" problems related to irregularities, weaknesses, and retreat from the noble goals that united a large part of the Bulgarian officers.

The "business attitude" of the conference reminded one of the parliament—endless speeches and wasting time enveloped even the most negligent issues. On the other hand here was an achievement in the conference's work—there was a dialogue.

The most acute issues related to reporting the legion's activity since its first conference. The delegates sharply dissociated themselves from Senior Lieutenant Krasimir Uzunov, the former spokesman for the Rakovski Legion, and Lieutenant Colonel Petyo Boyadzhiev. The issue of the former military leadership's guilt was posed again. In this context the conference adopted an appeal to the president, the National Assembly, the Military Prosecutor's Office, and other state institutions, which insists on involving the prosecution in clarifying this issue. An appeal related to the tragic events in Yugoslavia also was adopted.

The conference was attended by President Dr. Zhelyu Zhelev, supreme commander in chief, and Mr. Dimitur Ludzhev, minister of defense.

In his speech Dr. Zhelyu Zhelev, Bulgarian president and supreme commander in chief of the Armed Forces, spoke about national security and the ethnic issue, and said: "National security is based first of all on the internal security of the country. If there is no internal security no foreign guarantees can save the country. Two countries—the USSR and Yugoslavia—collapsed in front of us within a few months. No one attacked them and there was no foreign aggression. They collapsed under the pressure of internal contradictions and because they could not guarantee their internal security. This security is formed in a complicated manner. First of all there is economic security, which serves as the foundation of constructing social security.

"External security also is important. Therefore, we attribute great importance to the guarantees we try to obtain against the background of the military blocs' disintegration, and thus ensure our national security. Integrating Bulgaria in the basic European structures—the CSCE, the Council of Europe, the EC, and NATO is a matter of special priority. The second priority of our foreign policy, aimed at guaranteeing our national security, is related to concluding bilateral treaties with the major European states—Germany, Italy, France, Russia, the Ukraine, and so forth. Naturally, this also includes our neighbors, with some of whom we already have such treaties, and others with whom we will soon sign such treaties.

"The nationality issue is the other matter that interests our officers and naturally, all circles of our society. First of all I would like to say that the nationality issue is not equal to the ethnic problem in Bulgaria. It would be wrong to identify the two. The nationality issue also does not equal the issue of the Bulgarians abroad. The nationality issue affects the Bulgarians in Bulgaria. It is the topical issue at the present stage.

"I am sure that if we succeed in preserving civic and social peace in Bulgaria and more seriously activate the economic reforms, the Bulgarian nation, which is a well-behaved, intelligent, and enterprising nation, will quickly cope with the situation. I am sure that then all those ethnic tensions and conflicts, imaginary or real, will disappear in an economically stable and prospering society and will become an unbelievably insignificant matter. Then we will probably doubt that the issue ever existed."

In his statement, Defense Minister Dimitur Ludzhev spoke about the necessity of changing the management structures, organizing the Ministry of Defense and the Army as state institutions, creating a new security strategy and a new military doctrine, developing new tasks for the Army, and reorganizing it as a military structure. He said that an order has been prepared about the new structures of the ministry and the Army. Minister Ludzhev also spoke about the rumors related to some "black lists" of officers, who must be fired, which ostensibly included some 2,000 names. The minister pointed out that there really will be cuts, but they will not be based on lists approved by anyone, but coordinated only with the Law on General Military Service.

After a discussion that continued for two days, and despite the fact that a part of the delegates (representatives of the clubs from the construction troops of the Bulgarian Army) left before the end of the conference, an optimistic view of the legion's future prevailed in the final account. This future is not a goal in itself, but is a period in which work should be invested for the benefit of the Bulgarian officers, social peace, and Bulgaria. The conference elected new leading organs. Captain Engineer Doychin Boyadzhiev was reelected chairman of the Rakovski Officer Legion.

President Zhelev's New Year Address Reported

AU3112182891 Sofia BTA in English 1804 GMT 31 Dec 91

[Embargoed by BTA until 2200 GMT 31 December]

[Text] Sofia, December 31 (BTA)—Things in Bulgaria will take a turn for the better, it will be a time of hardship but also of justice, Bulgarian President Zhelyu Zhelev believes. A year has passed—for Bulgaria it was difficult year, decisive, fateful and full of hardships. A year has passed which will go down in Bulgaria's history, President Zhelyu Zhelev said in his New Year's address to the nation.

1991 will go down in this country's history as the year the Bulgarians made a break with an unfortunate half-a-century-long past. The Bulgarians broke with their past diverting the country from its natural path of human development, arresting its progress by force, suppressing it and severely damaging both the country's economy and human souls. This is how President Zhelev described the past year in which a non-communist government took over the country's rule.

In the past year the world turned its eyes to Bulgaria again replacing its disparaging attitude by understanding and sympathy. We began to regain our own dignity as a people and a state, the president said in his address. He thanked to all Bulgarian citizens for the preservation of this country's stability and peace despite all heated political feelings and privations.

Havel's New Year Speech Views Progress, Goals

LD0101190392 Prague Stanice Ceskoslovensko Radio Network in Czech 1200 GMT 1 Jan 92

[New Year's address to the nation by CSFR President Vaclav Havel; place and date not given—recorded]

[Text] Dear fellow citizens! For some time now I have been asking myself the following basic question: Why in the period when no other power threatens us or interferes in our affairs—and we as a state and as citizens have, for the first time in centuries, our fate in our own hands—why do we have hardly any reason for joy and happiness? Where are the roots of our nervousness, confusion, impatience, and often even of hopelessness? Governments, parliaments, and the president, too, can no doubt be blamed for a thousand and one mistakes. However, no one in his right mind can say that those institutions—after all, democratically created—bear complete responsibility for the worrying state of our country, or that they are the sole cause of all the evil.

Today it is quite easy to replace the government, parliament, or the president. However, to hope that this would solve everything immediately and that general happiness would arrive would be a naive illusion. The cause of the difficult situation in which we find ourselves dwells somewhere much deeper. History has confronted us with a completely unprecedented task: to find ourselves again. The fact is that all we are living through—be it all that is good and hopeful, or that which, on the contrary, is bad and depressing—is connected in one way or another with the great process of our new historic self-searching process. We are seeking—as a fully independent country—our new position in the world. We are seeking a new, better, and really just model for our own state existence and the coexistence of our nations. We are seeking the best methods to rebuild our economy from its very foundations and to facilitate its natural development. We are seeking a new constitutional and political system—one which would best suit our present conditions.

We are seeking a new identity for our state—which would be a state governed by sound legal order. We are rebuilding our entire legal order. We are seeking a new relationship between the citizens and the state, and the state and the citizen—the attitude of citizen toward citizen, and citizen toward property and toward work. We are also seeking a new relationship toward our own past, which is no longer burdened by prejudices. We are, at the same time, having to deal not only with the heritage of communism, but also with many problems left us by our past. It is obvious that this complex and radical self-searching for ourselves, this unprecedented rebirth of the entire society cannot be an easy and painless task. And this is certainly not a task that can be dealt with by political representatives on their own. This is a task for all of us. This is a task that we have no right to protest against, because we have set it for ourselves. When we rebelled against the degrading type of human, civic, and state existence we endured for so long, we at the same time decided to seek a new, more free, and dignified method of existence.

At present, we are in the middle of this search. We may beat its more difficult stage; maybe its most difficult stage is still ahead of us. One way or the other, we are on the path toward it. It is a more complicated path than we imagined, full of obstacles and surprises. We do not want to go back. We cannot, and for that matter, we have no where to go back to. The final goal is still a long way away. It is no wonder that unrest, nervousness, fears, doubts, and often even despondency spread through society. This is more than natural. After all, even Christ himself on the cross had doubts about the meaning of his mission. It seems that everything we are going through we must go through. Unfortunately, we cannot pass over the historical stage of our self-searching. We have but one possibility: to continue down the path and keep cool heads, and at the same time trust in our goals with solidarity, healthy overview, perseverance, courage, and strong will.

Now, if you allow me, I will share with you some of my feelings, and tell you what makes me happy and what worries me:

After decades of dictatorship, parliamentary democracy is beginning to function, with difficulties, but beginning to function; democratic institutions and local administrations are forming. The political spectrum is crystalizing fast, and political parties are shaping their profile; we have our own right-wing, left-wing, and center. Political affairs are, at the same time, under the ruthless scrutiny of the free media. All this, naturally, is good, and I am happy about it.

Much less good is the fact that the new political climate and the new political system that is being born in it are far too often accompanied by politicking, squabbling between parties, mutual accusations, hostility and ill-will, and intrigues. No democracy in which people, rather than angels live, can avoid these phenomena, however. Nevertheless, it seems to me that in this difficult time we should somehow control ourselves a bit more. The general political squabbling is a kind of luxury which we cannot afford at the moment.

I am very concerned by something that I have been hearing for two years—that various nomenclatura clans—including members of the former State Security—still control many enterprises and offices, continue to enrich themselves illegally, continue to invest stolen money, and continue happily to rule over those who have always lived honest lives. Those people take advantage of the fact that we have not managed early enough and with enough emphasis to part ways with the past and to restrict the influence of all those who actively cocreated that past.

I do not agree with the view that the mistake was made immediately in the first revolutionary days, when we allegedly were too tactful toward the adversary. Those who claim this have forgotten too soon the fact that the

previous regime had at its disposal, to the last minute, various possible and impossible power instruments, and that it was far from certain at the time that it would not use them against the people. Thus, a certain careful approach was well justified then, and the fact that the blood of innocent people was not shed is possibly also due to this careful attitude.

The mistake was perhaps made a bit later, in the first months of 1990, when we all underestimated the exceptional artfulness of our former adversaries and their exceptional ability to adapt quickly to new circumstances. It will be difficult, and it will take a long time to correct this mistake. It has to be corrected, however, in a civilized and legal manner. I once said in Wenceslas Square: We are not like them. If we are not to be like them, it means that we must not let ourselves be blinded by fanaticism, blood-thirsty longing for retaliation and hostility. This does not mean, however, that we can tolerate anything they do, or that those who have committed crimes should not be punished.

I am concerned, just as you are, by the fact that the upward trend in the number of crimes committed has not yet been stopped, and that manifestations of racism or national intolerance, anti-Semitism, political extremism, supression of minority rights, xenophobia, or even occasionally fascism have been appearing more often. All these are dangerous phenomena and are worrying. It is a sad but well-proven fact, however, that after all big social changes and, above all, after those that broaden civic freedoms, individual and group violence increases. This naturally does not mean that we should tolerate these phenomena as a necessary evil. On the contrary: I want, together with others, to consider a plan for an extensive and long-term struggle against all types of violence: This struggle has to have two dimensions—educational and repressive. Only in this way can it be successful.

Now, something that gives me joy. Freedom does not awaken only bad features in our society, as it may seem sometimes. It also awakens to a new life, all the good that had been dormant in it and that did not have sufficient opportunity to be demonstrated. Various foundations, humanitarian and charity societies, are being founded, funds and accounts designed to help people who, for health or social reasons, are worse off than others. Solidarity, humaneness, and good will is awakening. But that is not all. Health care, education, and culture have very little funds. Nevertheless, they do not despair. Our common gratitude is due to doctors and teachers who, often in sorrowful conditions and for miserable pay, care for our health and for the development of our minds.

Today we are entering a year in which we will commemorate the 400th anniversary of the birth of Jan Amos Komensky, which the government has declared the year of education and training. All of us need to be educated in the widest and deepest sense of the word—from small nursery school pupil up to minister or president. It is no dishonor or shame to let oneself be educated. Respect is due to all who are not afraid of education, as well as to all those who are good educators of others.

Last January, as you all know, the far-reaching transformation of our economy was launched. If the year 1990 was the year of political liberalization, then the year 1991 was the year of economic liberalization. I am happy that the principal systematic steps of our reforms are being implemented successfully. We have managed to survive that which had shaken in their very foundations many states finding themselves in a similar situation, i.e. the first liberalization of prices after long decades in which these had been commanded from the center. The internal convertibility of the koruna was introduced. A lot of work was done in the fields of legislation and organization, as well as in the sphere of external economic relations.

For a year now, the small privatization process has been progressing successfully, private businessmen have bought thousands of auctioned shops and business premises to the value of many billion korunas. The large privatization process has also started. The respective ministeries are at present assessing thousands of basic and competitive privatization projects, which will be the blueprint for the privatization of state property, estimated at hundreds of billions. Citizens are registering their coupon booklets and preparing to become shareholders soon and, thus, also real owners of companies that were, until recently, state-owned. A large layer of entrepreneurs of all types is being formed; a market environment is being born. Together with all this, we managed to maintain a balanced budget, to avoid uncontrolled inflation, not to fall into greater debt than was absolutely necessary. The reform, about which I said on the first day of last year that it was ready for launching, has therefore really started, is advancing successfully on the whole, and its courage is hailed with well-deserved respect abroad.

All this, of course, is a reason for joy. Less joy, however, is evoked by some of the inevitable accompanying phenomena of this radical reform. Most of the causes—and this has to be brought back to mind again and again—do not lie in the reform as such, but in the deep structural deformations of our whole economy, as we had inherited it, and in the unfavorable external circumstances, namely in the collapse of the former CEMA market.

Many companies are losing outlets and are not capable of surviving competition. Unemployment is growing, large difficulties are caused by the indebtedness of companies and their insolvency; many will go bankrupt because they have no prospects or because they could not manage to adapt in time to the new environment and have relied inertly on the state to somehow bail them out, as was done in the past. At the same time, this burden is not distributed evenly in our Federation. We all know that Slovakia is significantly worse off than the Czech Republic and that there are also great differences between individual regions. It is natural that in such a situation, when overall production is declining, real

income of the state budget and standard of living follow suit. This development will, unfortunately, continue this year as well. It even seems that the worst is yet to come.

Nevertheless, in parallel with this economic decline, the preconditions for a future breakthrough will gradually be created and consolidated. This year will be not only the year of large privatization, but also the year for the completion of all the necessary market economy institutions, like, for instance, revenue, licensing and customs offices, chambers of commerce, financial markets, etc. It will also be the year for the completion of a new modern taxation system, and the year that will see, I hope, a fundamental improvement of the working of the whole banking system.

Some experts say that the overall economic decline may stop as early as the end of this year. I would like to believe that, but I do not think we should rely too much on this forecast. We should rather be prepared for the fact that our economy will take a long and difficult time to recover from the calamity represented by 41 years of communist rule. It is, therefore, more important for the Federal Government and the governments of the Republics to pay even more attention than before to a well-thought out social policy, to the systematic support of the creation of new job opportunities, to requalification projects, to permanently lead a serious dialogue with their social partners and, above all, to devote much more energy to a concrete and truly conceptual economic policy.

The governments must have a well-designed concept of the economic tools with which they intend to help viable business plans, how to confront economic and social problems of the individual regions, whichever companies deserve debt abatement, and know how to facilitate export conditions for producers, how to stimulate exports, how to carry out an effective antitrust policy, how to support the inflow of foreign funds, how to systematically support desirable branch restructuring of our production—and that also with regard to the environment—how to cultivate the development of the middle classes, and which sources to use for the development of the infrastructure, housing development, etc. Alas, in our situation, there are tasks that the newly starting market will not, by itself and automatically, solve and cannot even solve. True, the state is no longer the master of all the economy, but it cannot disappear from the stage altogether. It does not do so even in the most advanced market economies.

What is good is that the transformation law has finally been adopted. It is not perfect, and it cannot be excluded that it will have to be further modified under the pressure of experience. Nevertheless, it does provide the fundamental prospects of future transformation to our agriculturists.

I think we all have a reason to be cautiously pleased with the fact that in the midst of a dramatically changing world, the international standing of the free and independent Czechoslovakia is firming up, step by step. Last year the last Soviet soldier left our territory. Czechoslovakia took an active part in dismantling the Warsaw Pact in Prague. We have established truly friendly relations with many democratic countries. We have signed new treaties with some, and will soon do so with others.

As far as a year ago, we became a full member of Europe. Recently, we signed a very important European agreement, thereby becoming an associate member of the European Communities. This is an undeniable success for the Czechoslovak Government and diplomacy. Indeed, it is possibly the single most important agreement in our postwar history. It is a contract which specifically opens the door for us to the political and economic life of the democratic Europe.

Our cooperation with NATO is becoming closer, the coordination of our policy with neighboring Poland and Hungary is also deepening. We actively partake in the work of the Conference on Security and Cooperation in Europe, which Czechoslovakia will be chairing in the coming six months. At the end of this month, there will be a meeting in Prague of its foreign ministers, and during our time in the chair of the conference, its summit, called Helsinki 2, will be prepared. It is to be held in the summer, and it could possibly be the most significant event in the postwar history of Europe. Since the Versailles conference after the first world war, and since the Yalta conference at the close of the second world war, this will appear to be the third, hopefully successful, attempt to create a functioning European peace and security order. It will be the first conference of such importance. In it will take part the united Germany, independent republics that were formed in place of the former Soviet Union, and also those states of the disintegrating and tragically tested Yugoslavia, which will, by then, be diplomatically recognized.

Czechoslovakia is fully aware that it will not live in security and peace unless the whole of Europe lives thus. That, in itself, is a reason for wanting, even being obliged, to contribute to the success of this conference, for it could indicate how to best link the various existing European structures and organizations into one multifaceted whole, which would start providing the guarantees of a truly peaceful coexistence of all European nations and effective safeguards against the dangers of regional conflict and contribute to a pan-European political integration, and simultaneously join Europe with the North American continent and a part of Asia on the basis of common, shared, democratic values.

We are all troubled by the senseless war in Yugoslavia and the danger of further conflicts in the explosively changing postcommunist world. That is why we all pin our hopes on the European integration processes, which could become a brake against the tide of conflict that looms locally on European soil, and throughout the territory of the former Soviet Union.

Esteemed fellow citizens, before I conclude, I will speak about what troubles me most at this moment. It is the fact that the representatives of two nations with such close links and such culture as Czech and Slovaks have not been able to agree on the mode of the future coexistence of these nations and, thus, on the very future set-up of the common state.

Exactly a year ago, I voiced the hope that we would have a new federal constitution before the year was over. Its spiritual, moral, and political pillar, the charter of fundamental rights and freedoms, has been with us for a year. But we do not yet have a complete constitution, and it is not even certain if we will have one before the election, as we had promised the citizens.

The main reason for this is that the talks on our state set-up are progressing slowly, and the future form of the existence of our state is laden with more question marks than a year ago. The talks of the national councils on a treaty that should be a starting point for the new constitution have, so far, come to a deadlock. Our parliaments are split on the matter. We have not yet got the operational measure to ask the citizens of our republics what they think. We still have no guarantees that, due to the polarized opinion on this issue, there will not prevail the state of constitutional crisis, legislative chaos, or separate jurisdictions. So far, it is unclear what would happen should the parliament, God forbid, be paralyzed and incapable of discussion.

I am not the only one to be anxious about these matters. Many of you are, quite justifiably, ever more worried by the situation, and have difficulty in coping with the insecurity as to what sort of state we will live in. Not long ago, I submitted to the Federal Assembly several draft laws that could open the road to further negotiations, create a system of safeguards against a possible crisis, and at least make sure that there would be an election in June. I asked the public to support me in my efforts, and my proposals have indeed met with great support from the citizens.

I did not interpret this support as support for me or for one or the other paragraph proposed by me. Instead, I saw this support as an expression of a rightful desire of the people to finally be clear on the basic issues of our statehood and to have a certainty that our constitutional and political systems will not end in a permanent crisis. Unlike some deputies, I did not even interpret this support as undue pressure on the parliament. To the contrary, I regarded it as a thoroughly rightful expression of the will of the electorate, which should, for the parliament be an important signal and stimulus for its work. It should assist all parliament members who feel, like those who elected them, the pressing nature of an early agreement on the form of existence of our state. Although my proposals will not be discussed until the end of January, and their fate is more than uncertain, the will to set up a state that was shown by the citizens in their support has borne its first fruit, or so it seems to me. In the Federal Assembly, the will to agree has been rekindled. This is evidenced in the approval of the budget. Our deputies have begun, speedily and seriously, to address the issues of our future constitutional system.

I would like to again thank the citizens for their support. At the same time, I must again, and with urgency, ask the deputies to the Federal Assembly to deal with the subjects that I have introduced by my proposals, before it is too late. One of my proposals is the draft electoral law. Its purpose is to cement the ties between the electorate and the elected deputies, and to secure the stability and functioning of the future parliament and government and our political system as such. It is a democratic, balanced proposal that is generally easy to understand. It tries to add together the advantages of the majority and proportional systems, and to get rid of their respective disandvantages. I appeal to the deputies to discuss a law of such fundamental importance for the future fate of our democratic state—as the electoral law is—in an open, responsible and unbiased way. Also, I ask them to try not to approach it only from the point of view of the chances it offers to their particular party, or even to them as individuals. Instead, let them approach it from the point of view of the chance it gives to the citizen.

I am afraid that if we go to the polls this year according to the law that was in force six months after the November revolution, it will secure neither the desired turn-out nor the political stability of the parliament. The participation in the election and its good result, and the overall balance of the political system depend on the electoral law far more than anybody would care to admit.

Esteemed citizens, when I ask our deputies to discuss, expediently and responsibly, the laws that would at least partially throw light on the unclear, wrong, and dangerous constitutional status quo we have today, and to do expediently and responsibly their utmost for the success of the forthcoming election, I ask you to understand the demanding and complex nature of their negotiations, and to distinguish among them, between those who selflessly work for the good of the community and those that cannot be thus described. You should already be thinking of whom you will give your trust in the next election.

I am trying to think about what promise I can give you. It isn't anything much! Indeed, I can give you only one binding promise. So long as I am in my office, I will, within the framwork of my powers and my personal influence, continue to champion the causes that to me are just and that will help us find ourselves again. I will do so regardless of whether I will help or harm myself politically at a given moment. I am not concerned about myself. Nor am I trying to save myself trouble. The only thing I am concerned with is for us to live, as far as possible, in a well-organized state that is conscious of its raison d'etre, which serves its citizens and honors all their rights, has their benefit in mind. It would be a lawful, human, just state that would feel good to live in for both of its sovereign states and all its citizens. I would be happy if you could all have your say in deciding on the

future form of this state. And I would be happy if your vote would favor a democratic federation of two equal republics.

Let me wish you, dear friends, success in your work in the New Year, good health, calm, strong nerves, lots of patience, hope and strength. I hope that you understand and that you will help one another. We have to encounter adversity and people of ill-will with wise and harmonious tenacity. In an atmosphere of decency, creativity, tolerance, and unostentatious pursuit of one's resolutions, it will be far easier for us all to stand the inevitable tests we have yet to undergo, and to solve all the major problems we have yet to face. If we stand by each other, God will stand by us too.

Happy New Year.

Coexistence Chief on National Minority Memorandum

AU3112131591 Budapest MAGYAR HIRLAP in Hungarian 24 Dec 91 p 12

[Interview with Miklos Duray, chairman of the Coexistence Movement, by political analyst Gusztav Molnar; place and date not given: "The State Federation's Cause Has Never Looked Worse"]

[Excerpts] [passage omitted]

[Molnar] Coexistence recently issued a memorandum to explain its viewpoints. What was the essence of this memorandum, and how was it received?

[Duray] There are three parts in our memorandum. The longest part deals with the change of regime that has been going on for almost two years now. From a national minority point of view, it could be said that we have taken a step backward since the communist regime, as far as our rights are concerned. Indeed, several elements from the deprivation of rights that marked the period between 1945 and 1948 have been revived by this change of regime. Apart from the detailed list of negative discriminations that national minority groups have encountered, I think that the most important part of the memorandum is the one that deals with the future. One reason for this is because, until now, we did not have the possibility to do anything but record the facts that characterized our situation. After World War II, we were unable to plan our future, unless it was in the form of dreams or with a circle of close friends.

I think that two directions are important, as far as the planning of our future is concerned. First of all, we see the future of national minorities in the implementation of the right to self-determination (regardless of eventual changes in Central Europe's political map). There are two forms of self-determination—cultural and territorial autonomy—that we consider to be suitable solutions within the Helsinki process, which relaxes the rigid power system that was developed after World War II. The second direction goes even further than this, but it does not neutralize the first direction: It is linked to the disbanding of the states that were formed in Trianon.

Yugoslavia's disbanding is the first definite sign of this disbanding. It can be seen as a kind of inevitability that could hardly be stopped, something that could soon have a domino effect. We have suggested the creation of a permanent central and Eastern European conference for the political handling of this process, a conference where the most defenseless, the representatives of national minority groups, would also participate as members with full rights. It would once again be an utmost injustice if the new international system of guarantees were elaborated without their participation, just as in Trianon, in 1920, and in Paris, in 1947. We distributed our memorandum to the highest officials in both the CSFR, Poland, and Hungary, so that the most important Central European countries—from the point of view of European integration—could take on the role of protecting national minorities. [passage omitted]

[Molnar] I think that it would be in the primary interest of Hungarians in both Felvidek [previously Upper Northern Hungary, now part of Slovakia] and Hungary if Slovakia were to participate as an equal and autonomous partner in the Central European and pan-European integration processes. Why has Coexistence still not presented a clear stance, a principle on this issue?

[Duray] Political thinking is very complex and muddled in Slovakia. The enormous pressure of the federation parties, which weighs down on those who want to restructure the federation or those who believe in the independence of the Slovak state, has provoked a defense reflex in these circles. This is primarily shown by the fact that they dare not state honestly what they want. [passage omitted]

We have already made some statements in which we did not reject endeavors to create an independent Slovakia. On every single occasion, we have stressed the need to respect the right to self-determination. We have also signaled clearly to the politically more moderate Slovak Christian-democratic leaders that we understand Slovak efforts, and we do not wish to cross them. However, following such statements (and other, similar ones), low-down attacks have been launched against us in the CSFR's most widely circulated Hungarian-language daily, UJ SZO [NEW WORD]. We have been accused of forging an alliance with the enemies of democracy. It is a fact that the Slovak political forces that clearly advocate Slovak independence today do not inspire much confidence: Indeed, the language law, which discriminates against national minorities, is a result of their activities. Due to the current political situation and public mood in Slovakia, and the enemy image that has developed amidst the Hungarian national minority (an enemy image created by the governing party's federalist propaganda), we can only make very careful statements.

Nevertheless, our opinion of the future is clear: Slovakia will soon appear as an independent state in international politics. [passage omitted]

Magion-3 Satellite Separates From Intercosmos-25

LD0201112592 Prague CSTK in English 0847 GMT 2 Jan 92

[Text] Prague Jan 2 (CSTK)—Magion 3, a new Czechoslovak satellite designed for plasma research in the magnetosphere and ionosphere, was disengaged from the Soviet Intercosmos 25 satellite and put into orbit December 28.

Pavel Triska, secretary of the Czechoslovak Space Research Commission, told CSTK Tuesday all tests carried out in the first three days of Magion's operation were successful.

The satellite works in the framework of an international research programme centering on space effects on earth and coordinated by a group of space agencies including European ESA, U.S. NASA, Soviet Intercosmos and Japan's ISAS.

Agreement Signed Between CSFR, Rio Radio

LD0101200892 Prague Stanice Ceskoslovensko Radio Network in Czech 1700 GMT 30 Dec 91

[Text] An agreement on joint broadcasts was signed in Prague today between Czechoslovak Radio and the independent radio and television company Rio. According to the agreement, from 31 January next year, both stations will jointly prepare and broadcast the regional Green Wave [traffic information] for Prague and Central Bohemia. As stated by Peter Duhan, director general of Czechoslovak Radio, Czechoslovak Radio expects this cooperation to bring more life into the program and lead to an economy in production costs. The advantage for Radio Rio is the possibility of broadcasting on medium-wave, which until now, has been free of other independent station broadcasts.

UN Envoy on Security Council Membership

LD3112122491 Budapest MTI in English 1202 GMT 30 Dec 91

[Text] Budapest, December 30 (MTI)—Hungary will be a member of the United Nations Security Council for two years starting from January 1, 1992.

How is the Hungarian UN delegation preparing for the new task? This topic was discussed by the leader of the delegation, ambassador Andre Erdos, in an interview with the daily UJ MAGYARORSZAG (NEW HUNGARY), carried in the December 30 issue.

Hungary has already joined into the work of two specialised committees, the ambassador said. One of these is the sanctions committee, the other is the so-called reparations committee dealing with the claims against iraq. However, the Hungarian delegation is mainly preparing for the resolutions to be passed with respect to Yugoslavia, as the war there very closely concerns Hungary both geographically and historically. "What is needed is a lasting settlement that keeps the right to self-determination in mind, and which ensures human rights. The internal borders cannot be forcibly changed, but the individual peoples also cannot be forced to coexist with others against their will. Brazen territorial conquest is in progress in Yugoslavia today, which must be stopped." According to plans, the UN peace-keeping forces would be positioned on greater parts of the occupied territories, and would ensure human rights for the 600,000-strong Serbian minority on the Croatian areas, Erdos said.

Foreign Ministry Official on Ties With Serbia

LD0201141592 Budapest MTI in English 1207 GMT 2 Jan 92

[Text] Budapest, January 2 (MTI) - The sufferings of its people are only the most visible effects of the tragedy in the Yugoslav crisis, now beginning to spread damage to the Hungarian economy as well, Hungarian Foreign Ministry State Secretary Tamas Katona said in an interview in the Hungarian daily NEPSZABADSAG today.

Hungary's goodwill has already cost 30 million U.S. dollars, aside from a loss of 120 million U.S. dollars in foreign trade with Yugoslavia because of the crisis, Katona said.

In the hope for good future relations with Serbia, Hungary has put its spare telephone lines at Serbia's disposal and allowed Serbia to conduct foreign trade on Hungarian roads and railways—for which it has received nothing in return.

Hungary has been extraordinarily restrained in handling the Yugoslav crisis, largely because of the responsibility it feels for the nearly 500,000 Hungarians living in the Vojvodina region of the Serbian Republic, Katona explained.

All the republics seeking recognition should receive it, feels Hungary. 'It is not only Croatia and Slovenia we want to recognize,' said Katona, 'but all six republics.'

'I hope we will have the opportunity to make it clear Serbia has an interest in maintaining ties with Hungary as well as in guaranteeing ethnic minority rights,' Katona concluded.

SFRY Deployment of Mines Near Border Protested

LD3112201391 Budapest Kossuth Radio Network in Hungarian 1700 GMT 31 Dec 91

[Text] Hungary has protested to Yugoslavia because the Federal Army has again deployed mines near the Hungarian border. Belgrade has not yet replied said Hungarian Border Guard spokesman Attila Krisan. As he said, the fighting is going on scarcely a few hundred meters from the Hungarian border, but so far projectiles have not hit this side of the border.

Russian Ambassador on Changes in Embassy

AU0201120392 Budapest NEPSZABADSAG in Hungarian 30 Dec 91 pp 1,3

[Interview with Ivan Aboimov, former Soviet and present Russian Ambassador to Budapest, by Gabor Horvath and Istvan Zalai, in Budapest; date not given: "Aboimov: We Asked for a Russian Flag Well in Advance"]

[Excerpts] A white, blue, and red flag hangs on the facade of the building on Bajza Street. Gone are the two copper plaques that used to hang on either side of the entrance, informing visitors that they were entering the territory of the Soviet Union's embassy in Budapest. We asked Ivan Aboimov about current changes in his homeland and in the embassy.

[NEPSZABADSAG] It is normal diplomatic practice for a country to occasionally change its ambassadors. However, what has happened to you is rather unusual—an ambassador changing countries. How do you feel in this situation?

[Aboimov] I feel completely calm and good, I do not feel as though I have changed countries. I would rather say that both the mission and I are working in new capacities. This is a result of the fact that the embassy has come under the jurisdiction of the Russian Federation. From now on, this will be the Embassy of the Russian Federation, and it will also try to represent the interests of the other countries that have joined the Commonwealth of Independent States. Incidentally, the heads of state who met in Alma Ata reached a complete consensus on this issue. Naturally, we still need to work out the details of practical implementation. I suppose that some new states will open their own embassies in Budapest, but there will not be many of them. Some states may also

send their own representatives here, to the Russian Embassy, or they may simply charge us with the representation of their interests. [passage omitted]

[NEPSZABADSAG] How long have you had the Russian flag in the building? It appeared very suddenly on your facade.

[Aboimov] We asked for a Russian flag from Moscow well in advance, and we received it in good time. We raised it when the Supreme Council of the Russian Federation decided on the name of the new country, and when the Russian flag appeared on top of the Kremlin. [passage omitted]

[NEPSZABADSAG] As far as nuclear weapons are concerned, one of the Soviet president's departing foreign policy adviser, Chernyaev, recently announced that he was worried because the key to the launching of nuclear weapons was in Boris Yeltsin's hands. What is your opinion on this?

[Aboimov] Unfortunately, I did not read this statement. Who can judge whether the launching code is in good or bad hands? I think that it is of fundamental importance that an agreement was reached whereby the code would be in one hand and the decision on its use would be a coordinated one. [passage omitted]

[NEPSZABADSAG] The Soviet foreign policy conducted by Mikhail Gorbachev over the past seven years earned the highest international recognition. Mr. Ambassador, are you not afraid that in the future, Russia will be tied down by its domestic problems, by its diverging views with the other independent states, and that it will consequently cease to be a superpower?

[Aboimov] Naturally, relations with the new independent states will play a great part in Russian foreign policy, and this will require attention and energy, of course. However, we can expect continuity in the whole of our foreign policy. Naturally, Russian foreign policy will have its own particular views. For example, I can already tell you from experience that, to a certain extent, there will be greater openness in practical terms as far as our relations with the countries of Central and Eastern Europe are concerned. As for overall international political issues, Russia would like to play an active role in these. The Middle East conference, the second phase of which will be held in Moscow at the beginning of January, is an example of this. [passage omitted]

[NEPSZABADSAG] Are there any non-Russians at the Budapest embassy?

[Aboimov] Yes. There are some Ukrainians. One of them has already been charged by the embassy in the past to represent Ukrainian interests.

[NEPSZABADSAG] Russia does not border Hungary. Taking this into consideration, to what extent do you think Russia values its relations with Hungary and other East European states?

[Aboimov] First of all, I would call your attention to the fact that Hungary established relations with Russia, the Ukraine, and other republics in the most natural way, without any dramatic events. The Soviet Union still existed when Hungary established diplomatic relations with Russia and the Ukraine. The Hungarian Government already stressed its wish to establish relations with the individual republics in the past. In other words, efforts began in good time and they are following their logical course now.

As far as being neighbors is concerned, even if there is no joint border in the physical sense, we feel that Hungarians still look upon Russia as a neighboring country. As for the importance to Russia of its relations with Hungary, I would refer to the Antall-Yeltsin meeting in Moscow, where I felt that these relations continued to be of utmost importance to Russia, both politically and economically. [passage omitted]

President Goncz Delivers New Year Address

LD0101040392 Budapest MTV Television Network in Hungarian 2305 GMT 31 Dec 91

[New Year's address by President Arpad Goncz—live or recorded]

[Text] My fellow countrymen, my friends! I wish a happy New Year to all of us. A happy New Year to the citizens of our country, to those finding refuge in our country, to the Magyardom living in the neighboring states and scattered about in faraway countries, to all the friends of our republic, and to all the well-meaning people of the world. I wish peace in the New Year, peace to the world, to Europe, most of all to our neighbors and to ourselves. Peace and trust between peoples, nations, and ethnic groups. Peace and trust here at home, among ourselves, to all those who are set against each other by their views, different political intentions, or by the ever-increasing social differences.

When, almost more than a year ago, we started the building of a new and democratic Hungary, we felt and believed in a more united manner. We were made united by what we rejected: The old regime, the national defenselessness, the tilting at windmills with which we tried to create reality from illusion. We believed in a Hungary more fitting to Europe, where under the protective umbrella of law and order, not only the entirety of society, but also the individual could get on more easily. Today, after barely a year, unity is threadbare and faith is faltering. The political forces attack each other with wolfish passion and sometimes social emotions also flare up, for the unaccustomed submission, resignation, and hardship create mistrust and discord.

Although in 1991 we have moved a long way toward our goal—an independent, democratic Hungary—toward ownership relations that promise more successful management, we have done this in such a way that our

country, despite the problems of everyday life, has remained the most stable country of the region, which lived through many storms.

History will note about 1991 that, after almost half a century, this was the year when the last foreign soldier, who in the depth of our souls was always considered an invader, left our country. This is when CEMA and the Warsaw Treaty, two idiosyncratic institutions of our region, ceased to exist. History will note of 1991 that after almost half a century, our Parliament, elected freely in the true meaning of the word, passed legislation bringing us nearer to the center, away from the periphery, to the European idea living in us. However, few people thought that our results or successes would have their price, sometimes an all-too-bitter price, with inflation and unemployment burdening the widest strata of society, and the decrease of social protection. In the wake of these lurk such dangers as sharpening social oppositions, the breaking loose of political passions, and even the worrying degeneration of public safety.

Perhaps only a few people thought that neither were the determining political forces—in the interest of a better future—able to react with tolerance to different social and political opinions. Indeed, in the awareness of their historic mission, which frequently has been armored with excessive self-confidence, they themselves contribute to a sharpening of the differences.

They are not exactly paying sufficient attention to this, and even in the hope of the most promising prospects those, the existing millions, the people living off of wages and salaries, the pensioners, on whose shoulders the prevailing history has always heaped the heaviest weight in both the village and town, could collapse under the burdens of the present. The heaviest burden of our transformation, and ever more, is borne by them. If the Republic of Hungary remains the most stable state of the region, if our results have been more encouraging than we hoped, if we manage to get beyond the most critical situations, if social dissatisfaction does not flare up to heights that endanger our future—and this has not happened—then this can be attributed solely to the self-discipline and sense of responsibility of the country's people, who were ripe for democracy.

As head of state of the Republic of Hungary, for this self-discipline and awareness of responsibility, I first and foremost would like to thank all the citizens of our country, primarily those for whom producing the family's bread, ensuring a warm home, and raising their children is a growing problem from week to week. Primarily I thank you, my friends, that Hungary was able to preserve its faith, its credibility, and good reputation throughout the world.

The change of the year is always a time for making accounts and for looking ahead. At such a time, we willingly believe that the weeks and months ahead of us will be better, finer, more successful than those behind us. At such a time, we are full of confidence and faith that we will realize our plans.

I hope for us that this is how it will be in 1992, although I am well aware that this year will not deal out successes easily. Around us, the world is in ferment. Nor will our tasks be fewer or easier than last year. First and foremost, we must rely on ourselves, the individual, the family, the community, the entirety of the nation.

My conviction is that after so many promises, after so many detours, we finally must devote all our strength truly to sorting out and strengthening the Hungarian economy. All responsible political forces, all the country's citizens, setting aside differences of view, must work on a growth of the country's economic strength, and so that the social measures that can provide greater security of existence to everyone should come about.

However, a condition for this is social conciliation, which instead of settling accounts and getting even, instead of instigating hostility and intimidation, provides an opportunity for collective action.

Trusting in the moral strength, the responsibility of Magyardom and all citizens of our country, to this end I wish for God's blessing for every day of the New Year.

Antall Comments on Economic Restructuring

LD3112224991 Budapest MTI in English 1204 GMT 31 Dec 91

[Text] Budapest, December 31 (MTI)—"I hope in 1992 Hungary will go ahead on the road of economic restructuring. We must make every effort so that the deficit of the state budget should not exceed the limit still tolerated by the International Monetary Fund (IMF)," Hungarian Prime Minister Jozsef Antall said in the December 31 issue of NEPSZABADSAG.

"It would be a mistake to believe that the IMF imposes monomaniacal ideas on Hungary's economic policymakers. On the contrary, its recommendations are logical. If the deficit of the state budget were too high, inflation would pick up speed, and this is what we want the least. We would like to keep inflation between 20 and 30 per cent next year," Antall said.

"Although unemployment will increase in any case, there might be some improvement in the second half of the year," the prime minister said.

Addressing foreign policy issues, Antall said, "Hungary would welcome if the Yugoslavian war came to an end with the recognition of the independent republics, and the Romanian economy were stabilized. We strive to maintain good relations with the Ukraine, Russia and the other independent republics of the former Soviet Union. We have no interest in an increase in tension between Czechs and Slovaks, but it belongs to an objective prognosis that the Gabcikovo project will most probably remain a crucial issue."

Asked about his state of health, Antall said:

"I am working. I did not go on leave this year and my sickness had no effect on my work. I still undergo medical treatment and my state of health is regularly checked. As long as my service is found useful, I will perform my duty."

New Military Production, Sales Office Opens

LD0101205392 Budapest Kossuth Radio Network in Hungarian 1100 GMT 1 Jan 92

[Text] In the new year a new organization is also coming into being: the Military Industry Office. You will hear Agnes Pap.

[Pap] The Military Industry Office, comprising of 13 professional soldiers and civilians with technical qualifications, operates directly under the supervision of the Government. The staff and their funds come from the Ministry of Industry and Commerce, the Ministry of Defense, and the Ministry of International Economic Relations. According to Chairman Jenoe Laszlo, this new organization will coordinate military industry production and sales. We allegedly have a market which promises significant hard currency income. Its other significance is that it helps develop modern Hungarian defense forces by organizing scientific research and technical development.

Chairman Jenoe Laszlo promises that the operation of the Military Industry Office will help enable the country to defend our homeland with a new type of army.

Finance Minister Briefs Assembly on Budget

LD3112221591 Budapest Kossuth Radio Network in Hungarian 1148 GMT 31 Dec 91

[Speech by Finance Minister Mihaly Kupa at the National Assembly session in Budapest—live]

[Text] Esteemed Mr. Speaker, ladies and gentlemen, my fellow deputies! I would like to inform you that after consideration of all the amendments and supplementary amendments, and taking into consideration their financial consequences, the main sum of budgetary expenditure is 1,050,741.6 million forints. The main sum of revenue is 980,962 million forints. So the deficit is 69,779.6 million forint.

This deficit is 379.6 million forint higher than the orginally submitted 69,400 million deficit. To finance the increased deficit we will make provisions by increasing the stock of state bonds. So the stock of state bonds will be increased by 9,779.6 million forints in the interest of being able to finance the deficit. Thank you.

Parliament Enacts Law Approving State Budget

LD3112175891 Budapest MTI in English 1406 GMT 31 Dec 91

[Text] Budapest, December 31 (MTI)—After 20 hours of continuous vote, the Hungarian parliament enacted the law on the 1992 state budget on Tuesday afternoon with 215 votes for, 120 against and three abstentions. Since the MPs approved a number of proposed amendments, the main figures of the draft budget were modified slightly. The approved version envisages a deficit of 69.779 billion forints, with expenditure standing at 1,050.741 billion and revenue at 980.962 billion. Under the law, Hungary's economic policy should focus on economic restructuring, the curbing of inflation and the easing of employment and social welfare problems. The law envisages that next year Hungary should improve its external balance situation, increase its foreign exchange reserves and decrease the stock of net debts.

Opposition Criticized

LD3112173291 Budapest Kossuth Radio Network in Hungarian 1700 GMT 31 Dec 91

[Text] After parliament adopted the budget, the government criticized the opposition in a special statement for deploying so-called obstructive tools and by this nearly preventing the bill from being approved on time. Although the government admitted that it was late in submitting the bill, however, according to the document in the debate the deputies had access to important information. The government's statement also criticizes the opposition because last night the factions of two parties did not take part in the decision making.

At the same time the government thanked the deputies of the government coalition parties and the independent and opposition deputies who helped in adopting the budget.

Minister Kadar Discusses Economic Progress

AU0201092992 Budapest NEPSZABADSAG in Hungarian 24 Dec 91 pp 1,3

[Interview with Bela Kadar, minister for international economic relations, by Peter Dunai; place and date not given: "According to Bela Kadar, We Would Need a Biblical Message"]

[Excerpts] In the government's assessment, Bela Kadar leads one of the successful ministries. [passage omitted]

The first question of NEPSZABADSAG was on how Bela Kadar—who represents some kind of continuity in this leadership because he also filled responsible economic positions in the previous regime and he was director of an institution—saw the change of the economic system.

[Kadar] I would like to start with a clarification, because it was already mentioned in Parliament that I had made the economic decisions of the previous regime. Apart

from a few years spent at the Hungarian National Bank and some in foreign trade, and 11 years of being a lecturer at a university, I was a researcher. [passage omitted] At the turn of 1991 and 1992, we can say that a change of emphasis in our foreign economic policy has practically been completed and the bulk of the change of economic system has taken place. Many people think that the political change of regime has been completed successfully, others disagree.

[Dunai] Which group do you belong to?

[Kadar] I think that rather than stirring up the past, we should pay attention to building the country's future. [passage omitted]

For an economist, an important message of the change of regime is that economic policy no longer needs to deal with the ideological shackles that hamper rationality. As a result of the change of regime, Hungary's foreign relations can develop in more favorable conditions of commercial policy than ever before since 1929. In addition, the recently signed EC association agreement would not have been possible if the previous reform communist regime or an authoritarian and autocratic system had been maintained. To finish with, I feel there is another important message for the makers of economic policy: We should have a Parliament that can function, which develops the legal framework necessary for Hungary's modernization with the required speed, and which ensures the conditions of relative stability. Foreign capital will not enter countries where there is a great risk of losing the political balance. For various reasons, foreign countries considered Hungary to be a peninsula of relative peace and stability. In the interest of our future, we should preserve this image of the country. This is one of the reasons I have been short-tampered for a year and a half because I feel that our relatively stable environment is in danger, due to passions breaking free.

[Dunai] Are you worried that we are progressing toward another authoritarian system?

[Kadar] No, we are not going toward an authoritarian regime. [passage omitted]

[Dunai] Are you satisfied with the level of privatization we have achieved?

[Kadar] I am never satisfied with anything. It could have been quicker if the basic principles of how to start the privatization process had been formed sooner. Nevertheless, things are progressing well. During the election campaign, the government parties promised that the proportion of private property would be around 50 percent by the end of the governmental cycle, that is in about two and a half years.

[Dunai] Well, we are rather far from that point....

[Kadar] Real governmental privatization started in the autumn of 1990. Some 15 percent of former state property is in private hands now, and privatization process has started in altogether 20 percent of cases. The proportion of the private sector reaches 33 percent in the Hungarian gross national product (GDP) [sentence as published]. I have no reason to doubt that the government can exceed the target of 50 percent privatization in the coming two and a half years. As for the economic processes, we are in a better situation than our neighbors. If we do not go seriously wrong, then the first signs of an upturn will be noticeable in a year. We are calculating with a zero-growth for 1992, and a 3-percent growth rate could develop by 1993 which can reach even 5 or 6 percent in 1994. Even the population will perceive this.

[Dunai] Is foreign capital deterred by the uncertainty and slowness of privatization? It is known that the size of the incoming foreign capital has been getting smaller in recent months, and it is invested in small enterprises. It is good to have money coming to the small enterprises but there would be a great need for capital investment in the bigger and technologically advanced areas. In the past, the big ones like Suzuki and GM came, but they have stayed away in the last six months and we even have a counter- example, that of the Videoton.

[Kadar] I note that opinions depend on the time scale. Between 1972 and 1989, foreign capital came to Hungary to study the way a reformed planned economy worked. This trend was overturned in 1990 and 1991, and big businesses appeared. What happened in the last quarter? A destabilization process started in our region, and a noisy campaign began in the Hungarian society claiming that we were running toward a crisis, becoming balkanized, and that we should withdraw all favors from foreign capital investors.

[Dunai] This is what the government has done. At least, it withdrew favors from joint ventures. Do you consider this a well-thought-out measure?

[Kadar] At the intervention of our ministry, tax concessions will only be withdrawn from joint enterprises after 31 December 1993. Here in Hungary, opinion could be heard—fortunately they remained in minority—that we should not make an agreement with the EC and we need a new protectionism. This is crazy. Protectionism can mean the death of a small nation. In addition to money, foreign capital also brings new technology, the art of management, expertise, and professionalism, and it integrates Hungary in the world on the level of enterprises.

[Dunai] According to this, you have liberal views on foreign economic relations. Many people think that your views on the domestic economy are conservative, dirigist, and too centralized. Is there a contradiction here?

[Kadar] I first wrote it in 1962, and I still maintain that the only road a small country can follow is opening toward the world economy. As for people who oppose me, unfortunately, some generations have emotional injuries (I call a period of five to 10 years a generation), and the members of these have been made to give up sportsmanship and fairness. A political culture has not yet evolved in Hungary, and the change of system cannot

be complete without it. The ideas I proposed last summer and for which I was called a dirigist (in the NEPSZABADSAG, too) are being continuously implemented now. The fund for market change that we asked for in 1990 to alleviate the effects of the collapse of our Eastern trade has started to function. There is an export credit guarantee fund, and it is strange that a parliamentary representative who had attacked me demanded its establishment. [passage omitted]

Bucharest Daily's Criticism of Horn Noted

AU0101194292 Budapest MAGYAR HIRLAP in Hungarian 30 Dec 91 p 3

[MTI report: "Bucharest Paper Attacks Gyula Horn—Hungary Denigrates Romania"]

[Text] In its 28 December issue, the daily DIMINEATA [MORNING] published a review on the visit to Bucharest of Gyula Horn [chairman of the Hungarian Parliament's Foreign Affairs Committee], and on the basis of this review, the paper compiled a real bill of indictment on Hungary's alleged anti-Romanian intentions. DIMINEATA also explained that Hungary's transition from totalitarianism to democracy was a process controlled from afar by Moscow.

According to the author of the extensive article published in DIMINEATA (a paper said to be close to the Romanian head of state), Gyula Horn blatantly violated the elementary rules of diplomatic protocol during his visit to Bucharest at the beginning of December. According to the correspondent, the politician who headed the delegation from the Hungarian Parliament's Foreign Affairs Committee did not stick to the announced aim of the visit, namely the gathering of information on the possibility to improve relations.

According to the article, Gyula Horn was guided by other aims. He brutally attacked Romania's new Constitution, and he encouraged Hungarians in Romania—and not just Hungarians—to vote against the basic law at the referendum.

According to the article, Gyula Horn achieved his aim thanks to the efficient support of the Democratic Union of Hungarians in Romania, and the Hungarian minority—well-guided from both Romania and Budapest—unanimously voted against the Constitution.

According to the paper, all Romanians of good faith know that through its specialized branches and the Hungarian diaspora, the Hungarian Government is conducting an anti-Romanian policy on all levels, and it systematically encourages tensions and even violence in Romania, as was the case in Tirgu Mures. Hungary is trying to isolate Romania, and it is denigrating the country at all European and international fora.

According to Florian Borodan, Hungary is using all its energy to paint the blackest possible picture of Romania to the rest of the world so that the separation of Transylvania and its annexation by Hungary will look like "an improvement."

The author of the article then focuses on Hungary's transition from communism to democracy, which he believes lacked all originality. He acknowledges that the totalitarian regime was abolished, but he stresses that this was done on the basis of a script written in Moscow under Gorbachev's direct supervision. Moscow wanted Hungary to be a model demonstrating a peaceful transition from totalitarianism to democracy, a model that would continue to be loyal to the Soviet Union. The author attributes the fact that events did not turn out quite like that to the rapid decline of the Soviet Union rather than the will of Budapest.

Walesa New Year's Message Expresses Hope

LD3112195791 Warsaw TVP Television Network in Polish 1900 GMT 31 Dec 91

[Speech to the nation by President Lech Walesa in Warsaw on 31 December—recorded]

[Text] Dear Ladies and Gentlemen: I feel the need to ask myself into your homes on New Year's Eve. Soon now, the hands of the clock will point to midnight. The old year will end, and the new will begin. Such a moment induces one to reflection. We consider that which has been, and await with hope that which will be. Joy is mixed with unease. We are a community. We have one home, Poland. We are a family and, just as in a family, we enjoy ourselves, we argue and forgive. We differ but we seek agreement. The hope is mutual everywhere, for everyone, that in the new calender there will be plenty of good days for Poland, for all of us.

In the everyday bustle, we do not notice how much we have achieved. We get used to the good easily. What is a nuisance is more difficult to bear. But we have one great treasure today: We are free. The possibilities have been opened up for us to decided for ourselves on our development. Until recently, this seemed impossible. Today freedom has become a great challenge. We must trust our own strength. To want is to be able to, but as I have said many times: If only we would want to want. The lines have disappeared, shops are full, money has value. Let's not belittle these achievements. I know that it is too little; that we need more, better and quicker. Today, we choose the way ourselves. We make use of world examples.

This must bring, and will surely bring, results. The whole world is welcoming the New Year, but it is not peaceful everywhere. Yugoslavia is bleeding. Hunger lurks beyond the eastern border, and chaos is creeping in. We have avoided the worst, for the time being. Despite problems, we are moving towards normality. We are recovering our place among the free and democratic nations. In a moment, we will be wishing each other a happy New Year. Let us think then that the great Polish family is scattered throughout the whole world: beyond the Bug, beyond the Odra, across the mountains, and across the ocean. Although they live far from us, they are in our hearts. We are waiting for them—for them to visit and also to return. Poland needs them very badly today; they can enter our home without fear and enjoy with us a common, free homeland.

Dear ladies and gentlemen! We live in great hope of the days to come. I wish you all success. I wish peace, perseverance, and internal strength in the construction of the mutual home, in the construction of a free and just Third Republic, success in the life of everyone of you, and accord in the whole nation in the coming New Year. God bless you.

'Dissatisfied' With 1991

LD3112195891 Warsaw Radio Warszawa Network in Polish 1800 GMT 31 Dec 91

[Interview with President Lech Walesa by Andrzej Trojanowski; place and date not given—recorded]

[Text] At 2000, President Lech Walesa will make the traditional New Year address to the nation, which will be carried in the First Programs of radio and television. But Andrzej Trojanowski, of the Gdansk station of Polish Radio, spoke with President Lech Walesa over the phone today.

[Trojanowski] Mr. President, how would you sum up the year that has passed?

[Walesa] Today I would evaluate it as [word indistinct] of unfulfilled hopes. That makes us sad. We did not succeed in ruling well—price increases, problems. We must get down to work with a vengeance, because otherwise it will end badly for all of us.

[Trojanowski] Mr. President, in the past year we have had two prime ministers and two governments. Are we also threatened in 1992 with changes of cabinets, changes of prime minister?

[Walesa] This was a revolution that was victorious, that defeated one system. On the other hand, at work, for the time being, we cannot find people who would be capable of doing this. The government is carrying out changes, but not always correct ones, not always good ones, but this is a search for us to be able to meet the challenge with this government that would be very good. But if not, then the nation will be seeking and forcing from the president further changes, until we hit on people who are responsible, people who are capable of gaining control of the great cause of the Polish reforms.

[Trojanowski] In that case, will we be threatened in 1992 with, for instance, new elections?

[Walesa] Everything must be done for new elections not to come about, because first, this is too expensive; second, listening to society, meeting them, one can develop intelligence, but in a great consultation and in great service. If we learn to serve, and if we learn to cooperate, then even if we are weaker the nation, through consultations, through talks, we will supplement that which we lack, and so intelligence, knowledge, and many other things are necessary.

[Trojanowski] What is the most important thing for Poland in 1992?

[Walesa] The most important thing for Poland is concord and cooperation, and seeking, and at the same time mutual service. Really, things can be better, only we have not developed good cooperation for ourselves—between the president, the Parliament, the government, and society. If we can improve that, things really will be better for Poland.

[Trojanowski] Mr. President, what would you wish our listeners for the New Year?

[Walesa] I wish great cooperation, great service, and we really will have much better results for the next year.

[Trojanowski] And what would the president wish for himself?

[Walesa] Strength, the strength to last and to serve the nation.

[Trojanowski] We wish this, of course, and a question, as we are speaking on the last day of 1992: Where will the president be greeting the New Year?

[Walesa] In private. I am not pleased with this year. I see much hurt, many difficulties, and so that is why I will not be having a ball anywhere. I am in no mood for play. I am in a mood of some sort of sadness, dissatisfaction. Of course, I will be attending the name-day celebrations at Mieczyslaw's [Wachowski, secretary of state in the Presidential Office], that is, the secretary, and nothing apart from that. I have no reason for joy, and that is why I will not be joyful. We have undertaken this task. It is we who are to be dissatisfied, we are to pay. And society? Let it have a rest.

Government Issues Statement on Economy

LD3112202491 Warsaw Radio Warszawa Network in Polish 2000 GMT 31 Dec 91

[Statement by the government press spokesman issued in Warsaw on 31 December; read by announcer—recorded]

[Text] In the final days of the year, Polish families have received news that is incapable of making anyone happy. The prices of gas and electric energy are to rise on 1 January. Payments for central heating and hot water are also to rise. This is not the only unpleasant part of the heritage that the new government has inherited. The report on the condition of the state, prepared by the previous cabinet, seems to be altogether too optimistic. The condition of the state is worse than presented in that report, and it must be clearly stated that, in the near future, things will not get better. It will be poor, but it cannot be the case that burdens will be borne solely by the poor. [sentence as heard] The government will protect the weakest sectors of society. Appropriate forms of social welfare protection will be erected. The first decisions have already been made in this respect. Money will be spent from social welfare funds on assistance directed in the form of housing benefits.

Olszewski Meets TU Leaders; Seeks Support

LD3112230691 Warsaw Radio Warszawa Network in Polish 1400 GMT 31 Dec 91

[Text] Prime Minister Jan Olszewski held a meeting today with representatives of the NSZZ [Independent Self-Governing Trade Union] Solidarity and National Trade Union Accord [OPZZ] trade unions. The meetings were held separately, without the press being present.

After his meeting with the prime minister, Wojciech Wlodarczyk, head of the Office of the Council of Ministers, and Labor Minister Jerzy Kropiwnicki, Marian Krzaklewski told journalists that his trade union is continuing its conditional support for the government. However a stabilizing agreement will have to be implemented—one which encompasses the economic program and state intervention, social protection for the poorest in society, and the satisfying of Solidarity's demands through, among other things, the regulation of assets and the reinstatement of people who have been unfairly dismissed from work.

Marian Krzaklewski said that the next meeting of the National Commission of Solidarity, to be held 6 and 7 January, will be attended by representatives of the government—from whom the union expects a presentation of the previously mentioned program. Minister Jerzy Kropiwnicki stated that, in accordance with its announcement, the government will present specific proposals in two to three months' time.

The government side apologized both to the Solidarity representatives and to the OPZZ representatives for the arrogance of the previous team—which had not consulted with them within the mandatory time—on either the draft laws that accompanied the provisional budget proposals or the price increases for gas and electricity that were announced on Monday. As OPZZ Deputy Chairman Stanislaw Wisniewski said, the talks with union representatives were mostly devoted to the price raises. The principles of executing the budget were not discussed since the OPZZ has not received the necessary documents in time.

The head of Solidarity '80, Marian Jurczyk, published a statement in which he said that his union has not received the provisional budget proposals either. Today's meeting of the government side with representatives of trade unions was preceeded by talks between Prime Minister Jan Olszewski and the chairman of the Mazowsze Region of NSZZ Solidarity, Maciej Janowski, who said that the talks concerned the gas and electricity price increases announced on Monday and the matter of undertaking general negotiations with the union. Asked whether, in the plans of action presented so far by Jan Olszewski's government he could detect continuing elements of the policies held by the previous team, Jankowski answered: There could not be a continuation because, in that case, there would be revolution.

Krakow Steelworkers Continue Hunger Strike

LD0101054892 Warsaw PAP in English 1835 GMT 31 Dec 91

[Text] Krakow, Rzeszow, Lodz, Dec. 31—According to a doctor from the Tadeusz Sendzimir steelworks' clinic in

Krakow the condition of ten steelworkers who continued their hunger strike deteriorated Tuesday.

Workers at individual sections of the steelworks made today one-hour breaks in their work as a sign of their solidarity with the strikers. Andrzej Gwiazda, chairman of the founding Committee of Free Trade Unions of the coast and Daniel Podrzycki, vice-chairman of the National Commission of Solidarity '80, joined the hunger-strike.

According to Gwiazda, former leader of Solidarity, the destruction of the Polish economy is still going on, this being manifested by the situation in the Sendzimir Steelworks, and workers in many enterprises have to take an action in defence of their own interests.

On December 31, the strikers' letter to Premier Jan Olszewski was read out during a [word indistinct] in Rzeszow, south-eastern Poland, a [words indistinct] leaders of the Gdansk chapter of Solidarity, Solidarity leaders from [word> indistinct] National Mining Commission of Solidarity and the Presidium of the Mazovian chapter of the OPZZ [All-Poland Alliance of Trade Unions] as well as protested Tuesday against rises of prices for energy, gas, central heating and hot water, announced on Monday.

In the central city of Lodz, negotiations between the strikers' committee and the management of the textile plant "Wifama" resulted in no agreement Tuesday. A sit-in continued with the demands of the strikers remaining the same (acceleration of restructuring and payment of wages for the time of the strike). "Wifama" is threatened with electric power cuts, being the result of the plant's growing debt.

Long-Term MFN Agreement Signed With Russia

AU3112170991 Bucharest ROMPRES in English 0936 GMT 31 Dec 91

[Text] Bucharest, ROMPRES, 31/12/91—A long-term agreement between Romania and Russia, signed on 30 December in Moscow, institutes a mutual most favored nation [MFN] status for exchanges in convertible currency and other forms of trade and stipulates the annual renewal of the list of goods that make the object of the exchanges between the two countries.

Nastase Assesses Relations With Moldova

AU0101160792 Bucharest Radio Romania Network in Romanian 0500 GMT 1 Jan 92

[Text] The future accord between Romania and the Republic of Moldova will differ from the accords of good neighborliness or partnership with other states, because it will be a treaty of fraternity and cooperation with a special purporse, Romanian Foreign Minister Adrian Nastase, said in the interview he granted to our radio station. He recalled the main points of the Husi meeting between Prime Ministers Theodor Stolojan and Valeriu Muravschi. In this context, Mr. Nastase pointed out that, in connection with the contacts between the Romanians on the two sides of the Prut, more had been done in one year than in half a century; however, he added that many things remain to be done in this respect.

In conclusion, conveying traditional New Year's wishes to everybody, Mr. Adrian Nastase assessed that in 1991 the radio station was for the Ministry of Foreign Affairs, quote: a good partner on our road and the mouthpiece of our actions.

Iliescu New Year's Message Stresses Progress

AU3112165291 Bucharest ROMPRES in English 1050 GMT 31 Dec 91

[Text] Bucharest, ROMPRES, 31/12/91—We conclude a year dense in events, highly complex and difficult for the country, says President Ion Iliescu of Romania in his New Year's Eve message stressing among the positive elements of this year the adoption of the new Constitution in a referendum, a document which lays the foundation of the state of law, of Romania's democratic development.

Assessing that in the two years since the December 1989 revolution the Romanian society has experienced deep-going changes in the political, social, civic rights and freedoms areas, President Ion Iliescu shows that 1991 was characterized by unfavorable circumstances as far as the economic life and living conditions are concerned. Although important steps have been made, especially in the legislative field, in laying the bases of the market economy, as well as in the privatization process, in the establishment of new economic-financial levers, the economic life is still marked by major difficulties some created by the old system we have inherited, by the obsolete structures that have led to a blockage in the national economy, adding to which are the consequences, the disbalances generated by the transition process itself. Unfavorable circumstances added to all this, first of all the demolition of the system of economic relations within CMEA. All of them mirrored in the diminution of the material production in industry, in agriculture, in a reduction of the sources backing the social security and social protection programmes, in phenomena bearing on the people's everyday life—first of all inflation, unemployment.

President Ion Iliescu expresses his hope that 1992 will bring about positive developments in the life of the Romanian society, that, through the efforts of all creative forces, an end will be put to the degradation of the economic life and that the national economy will be relaunched.

As for the international life, President Iliescu assesses that 1991 marked positive steps in consolidating detente and in creating a new framework for the development of international cooperation, on our continent in the first place. At the same time, he says, there still are hotbeds of tension, hot spots causing anxiety, tension, instability in the international life. We are concerned with such developments occurring in our vicinity: the perpetuation of the military conflict in Yugoslavia, the complex multifarious consequences of the dissolution of the former Soviet Union—a major political moment of the international life at the end of this year.

As for Romania, it will do everything possible to play an active role in the international life, to further pursue a dynamic, active foreign policy, to be an active factor in the promotion of international stability, confidence and cooperation.

Political Leaders Assess Prospects for New Year

AU3112172691 Bucharest ROMPRES in English 1219 GMT 31 Dec 91

[Text] Bucharest, ROMPRES, 31/12/91—Daily "CURIERUL NATIONAL" carries in its 31 December issue opinions of prominent Romanian political personalities in connection with the present situation of Romania and its prospects in the coming year.

President Ion Iliescu:

In his view, political life is beginning to take a positive turn by showing a certain degree of stability and establishing the fundamentals of the state of law, with the Constitution as a prime achievement. Although material production continues to decline, the president hopes that process will stop next year with the gradual reshaping of economic structures and activities. He sees the economy as the most complicated sector, the very source of the crisis that generated the revolution of December 1989, worsened now by the developments specific for the transition period Romania is traversing.

The president foresees a troubled early 1992 stemming from the hardships of these winter months, complemented with the social and political tensions the forthcoming election campaign is expected to entail. He is however hopeful that the latter part of 1992 will bring the settlement of social life in Romania on solid foundations apt to offer the people sound prospects.

Petre Roman, National Salvation Front national leader, considers Romania's present situation as "full of difficulties and hope, which is only natural, because hopes are born to overcome difficulties." "I wish 1992, he added, to prove that local elections mean the true transfer of power to the local administration and of responsibilities to the voter, and also to fully sanction political pluralism."

As personal achievements during his prime-ministership, Mr. Roman mentioned the admission of Romania on 29 January 1991 to the Council of Europe as special guest, the government's 1991 economic programme, the government's stand on the August 1991 Moscow putsch, the rapprochement of Romania to various political bodies of the democratic Western world.

Adrian Nastase, foreign minister:

In the two years from the Romanian revolution of December 1989 Romania has accomplished the first stage of the transition period: "These two years have meant a tremendous effort of erecting the institutional framework, with the Constitution as its most significant edifice." At the same time, Mr. Nastase assesses that Romanian diplomacy "has done a few good things: I think we have managed to move more wisely in this space subject to perpetual change, in the new order that tends to become a new European order" and estimates that "1992 will be, on the external plane, a test-year for Romania, a year of hopes, responsibilities and achievements."

Geza Domokos, Hungarian Democratic Union of Romania president, opines that the present situation of Romania is roughly similar to that of the former communist-bloc Europe, with some peculiar features. Likenesses are obvious, he says, starting from the difficult and tension-marked shift from central planning to the free market economy and ending with the incoherence of political life and the moral crisis.

For the Hungarian Democratic Union of Romania, thinks its president, 1991 has been the year of a multitude of activities. The interests of the Hungarian ethnics in Romania form a component part of the whole Romanian people's efforts to live free and united in democracy. For 1992, Mr. Domokos wishes that peace and understanding should reign in Romania and the openness to Europe, already started, should continue.

Corneliu Coposu, Peasant Party president, appraises Romania's situation as "disastrous". "The country revolves in the same vicious circle without the faintest gleam of hope." Internally, Mr. Coposu views "the modest democratic tendencies as insufficient." All the same, Mr. Coposu hopes that 1992 "will mean for Romania the beginning of re-stabilizing the democratic institutions, guaranteeing private property, surmounting the economic deadlock and normalizing the political background."

Radu Campeanu, National Liberal Party president, says that Romania, although in a difficult situation, can nourish justified hopes, because "PNL's sharing in the government has changed the opinion of the West to the better, which means political, moral and economic credibility, consequently, the country's emergence from its isolation." Mr. Campeanu hopes that the next elections will be free and fair, to give the Romanian people the possibility to express its will.

Premier Theodor Stolojan, according to weekly "ECONOMISTUL", shows optimism about the destiny of the Romanian economy: "We know what we have to do and this is a very important thing. We must reach certain targets and if we fail, the living standard will drop even further and hardships will accumulate. That is why every effort we are making now is a necessary evil we have to surmount. Difficulties cannot be deferred. They must be solved today."

Premier Stolojan considers that the reform has a course of its own, "a track we cannot deviate from. There is no other pathway. I hope the people will be wise enough to understand that there is no other way out."

Opposition Leader Views Election Preparations

AU0101180392 Bucharest TINERETUL LIBER in Romanian 25 Dec 91 p 2

[Interview with Christian Democratic Union President Mihai Grama, by Iulian Costandache; place and date not given: "Extraparliamentary Opposition—Alliances, Strategies, and Tendencies"]

[Text] [Costandache] Mr. President, not long ago the Christian Democratic Union initiated the formation of an alliance. What are its members, and what are its proposals?

[Grama] The initiative to create a broad democratic opposition group began in the summer. Initially, this group totaled 27 medium or small-sized political formations. Its aim was to unite the extraparliamentary democratic opposition into a single front. In the meantime, a number of parties have left the group and, at this point, the United Democratic Opposition incorporates only five parties: The Progressive Democratic Party; the Romanian National Party; the Smallholders' Party and Free Initiative; the Romanian Democratic Party; and the Confederation of the December Revolution Organizations. Given the fact that the Christian Democratic Union is also part of the Antitotalitarian Democratic Front, which was set up in April 1991, it is also a member of the Democratic Convention.

[Costandache] You should make a very strict delimitation, because this may cause confusion....

[Grama] The Democratic Convention is an electoral cartel made up of the Antitotalitarian Democratic Forum (the National Peasant Christian Democratic Party, the National Liberal Party, the Democratic Association of Hungarians in Romania, the Romanian Ecologist Party, the Romanian Social Democratic Party, and the Civic Alliance Party) plus the "Fraternitatea" political trade union, the Christian Democratic Union, and the Democratic Unity Party.

[Costandache] Thus, the Democratic Convention is the broadest opposition. In this case, what is the explanation for the emergence of the United Democratic Opposition?

[Grama] At the time when the Democratic Convention did not exist—it was formed recently—the United Democratic Opposition emerged as a factor to stimulate the Antitotalitarian Democratic Forum, which did not function the way it was envisaged. The problem arose of all parties in the Forum being active only in its name because of the approaching local elections. Unfortunately, the formations in the Forum worked only for their own benefit, and the idea of the unity of the opposition was compromised and threatened. This is why we decided to set up another group—the United Democratic Opposition.

[Costandache] Let's clarify things for the electorate: Do those who support the Christian Democratic Union vote for the United Democratic Opposition or for the Democratic Convention?

[Grama] The United Democratic Opposition will go along with the Democratic Convention. The difference between them will not be noticeable during the local elections. As for the general elections, we will make our decisions at that time.

[Costandache] There is another body, namely the National Convention for the Establishment of Democracy. What is its position?

[Grama] It is not an electoral cartel, but a consultative convention of the opposition parties that are represented in Parliament plus the Civic Alliance Party. Therefore, three formations are going to run in the elections: The National Salvation Front, the Democratic Convention, and the United Democratic Convention, and most probably other groups, which, I would say, are unimportant.

[Costandache] Mr. President, although allied, do the opposition parties, which are represented in Parliament, have no bigger ambitions and claims?

[Grama] Unfortunately, this is what always happens: The strong ones try to dominate the weaker ones. However, I have noted that, at the local level, there is greater understanding and goodwill. What we were unable to achieve at the center, the county organizations have achieved, and this benefits the unity of the opposition.

[Costandache] Are there already common lists?

[Grama] Yes, they have been drafted. But we cannot say that we have begun the election campaign. because we do not have enough funds for it.

[Costandache] Nevertheless, the law on financing local elections is being discussed, and the Romanian television station will begin introducing the candidates....

[Grama] As far as the criteria and commissions for granting funds are concerned, we doubt whether they will be to our advantage. With a symbolic percentage, how will we be able to send delegates for whom we have to pay transportation, accommodation, and per diem at today's prices? In connection with television coverage, we hope we will be granted the time allocated for alliances. Anyhow, the extraparliamentary opposition is starting out with a handicap, and the tendency of being pushed to the periphery is obvious.

Tokes Views Support for Hungarians, Public Mood

AU0201101592 Budapest MAGYAR HIRLAP in Hungarian 24 Dec 91 p 13

[Interview with Laszlo Tokes, reformed bishop of Oradea, by Gyorgy Andras Lengyel; place and date not given: "Despotism Prevents People From Loving Each Other...."]

[Excerpts] [passage omitted]

[Lengyel] Do the Hungarians who fight for their rights have any reliable and loyal partners among the Romanian parties, churches, or movements?

[Tokes] The Hungarian community and the Democratic Association of Hungarians in Romania [RDMSZ—in Romanian, UDMR] do not have any organized supporters. At most, there are individuals who stand way above the average level. The opposition generally supports us with greater strength if its political culture is more European than the authorities' political culture. Of course, it also supports us if it is in its own interest. Unfortunately, the interest stemming from the opposition's weakness tends to be the determining factor. When they need us, they are happy to support us, but when specific interests tie the opposition parties to the authorities, they immediately disown their actions. In other words, I do not know of any consistent supporters, although the situation changes constantly. At the moment, it is improving.

[Lengyel] Perhaps this is because local elections are approaching, and a joint performance could mean success against the National Salvation Front.

[Tokes] I do not think so. The rapprochement is better explained by the fact that the opposition parties have realized that they will not get far with cheap tactics and vote collections. Indeed, whatever they may win, they could lose later by "discrediting" their own democratic

past. I think that they have realized that there is no point in maneuvering. [passage omitted]

[Lengyel] Hungarians in Romania can primarily expect help from their motherland. However, there is a risk that Hungarian political forces might exert pressure on the RDMSZ and other movements or churches representing Hungarians in Transylvania or the Banat. Do you see any such risks?

[Tokes] All the more significant Hungarian parliamentary parties are trying to establish lasting links with the Hungarian community in Romania. We are familiar with the efforts made by the Hungarian Democratic Forum, the Federation of Young Democrats, and the Alliance of Free Democrats, and we know about the direction and the manifestations of the interest they have shown. However, I do not think that their intentions are impure (nor do I know of any such thing), and I do not think that they have tried to use Transylvania for political-electioneering propaganda reasons. Indeed, Transylvania and the issue of Hungarians in the detached territories in general stand above party interests, so I do not think that anyone would think it tactful to abuse this issue.

[Lengyel] Have you experienced any danger of a revival of nationalism in Hungary, a brutal manifestation of nationalism that could hurt the Hungarian community in Romania?

[Tokes] Compared to the events that are taking place in Yugoslavia and other neighboring countries, the so-called nationalism in Hungary is simply a question of sulking and flirtation. I think that Hungarian society sometimes creates problems for itself, quite incomprehensibly, and it tends to talk of the devil. This does not do anyone any good. [passage omitted]

[Lengyel] How would you explain the division of the nation?

[Tokes] The process of estrangement and atomization is a world phenomenon. All wholes have been broken down. Naturally, I would very much like to see the unity of the nation restored to a certain extent, at least, but this cannot happen overnight, of course, and it does not depend solely on determination. [passage omitted]

I do not think that a reassuring result has been achieved yet in the process of determining a direction. Hungary has not really decided on its priorities yet, or on the areas where a consensus should be reached, no matter what. I think that the forces of discord are the prevailing ones, and this is embittering.... [passage omitted]

International

UN's Vance Arrives To Discuss Peace Plan

Milosevic Favors Idea

LD3112133991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1145 GMT 31 Dec 91

[Text] Belgrade, 31 Dec (TANJUG)—Serbian President Slobodan Milosevic today received UN secretary general special envoy Cyrus Vance and his aides.

In a statement issued after the talks the office of the president of the republic says that the discussion focused on issues concerning Cyrus Vance's peace plan. Serbia holds the view that the arrival of blue helmets would result in an immediate cease-fire as a first step in establishing a lasting peace. It was noted that there are no controversial issues regarding Cyrus Vance's plan.

President Slobodan Milosevic said he believed that in its present form the plan will be accepted by the SFRY Presidency and the state committee for cooperation with the UN mission as well as by Serb Krajinas. The only threat to the peace plan at the moment comes from cease-fire violations. It is quite clear that the cease-fire agreement is being breached only by those who do not want he Yugoslav crisis to be resolved in a peaceful manner.

The talks were also attended by Serbian Foreign Minister Vladislav Jovanovic.

Following his talks with Milosevic, Cyrus Vance told reporters he had good talks about his plan and that in his view some of he problems surrounding the deployment of peacekeeping forces were becoming clearer.

"However, we must repeat constantly, and I have said many, many times, that until we have a durable cease-fire we cannot go forward with a peacekeeping operation—and that is not happening. Indeed the fighting even seems worse than the last time I was here. It seems both sides are violating the cease-fire. I have had answers and I must also talk to the people from Croatia. In other words, I have begun my talks but have not completed them," Vance said.

Defense Secretariat Issues Statement

LD3112183791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1405 GMT 31 Dec 91

[Text] Belgrade, 31 Dec (TANJUG)—Cyrus Vance, the UN secretary general's special envoy, and Army General Veljko Kadijevic, federal secretary of national defense, met today in the Federal Secretariat for National Defence (SSNO), the public information service of the SSNO announces.

Their closest associates were also present at the meeting.

In the long and frank talks, the conditions for sending the UN peacekeeping forces were discussed. The common opinion is that the establishment of peace in Croatia, and in this connection the soonest possible arrival of the UN peacekeeping forces, is an important precondition for a peaceful resolution of the Yugoslav crisis.

Taking this as a starting point, the Yugoslav People's Army [JNA] will carry out fully the decisions of the SFRY Presidency on the adoption and realization of the plan of the UN Security Council. The JNA is at the same time expressing its readiness, within the limits of its authority and possibilities, to provide all necessary assistance.

It was established during the talks that the implementation of the Geneva agreement, in the part concerning the removal of the JNA from the blockaded military bases, is nearing an end, and that the JNA is in all respects observing the demands for a cease-fire, and that the full creation of all the conditions for the arrival of the UN peacekeeping forces depends exclusively on the Croatian side.

Pleased With Kadijevic Talks

LD3112175991 Belgrade TANJUG in English 1430 GMT 31 Dec 91

[Text] Belgrade, Dec 31 (TANJUG)—Cyrus Vance, special envoy of the United Nations secretary general, has said he is pleased with the talks he held today with the Yugoslav defence secretary, general of the Army Vejko Kadijevic.

"I am satisfied with the meeting that we had with General Kadijevic and his colleagues and I am pleased that they are willing to give their full support to a peacekeeping operation such as we have proposed should the circumstances on the ground permit it," Vance said..

Asked by journalists if there was any purpose to his visit given that the fighting was raging on, Vance said: "Certainly—I must clearly also go to Zagreb because there are two sides that have been fighting in this and I shall hopefully go to Zagreb tomorrow so I can have the kind of straightforward, down-to-earth conversation that is necessary if there is any chance of bringing the fighting under control."

"We (Kadijevic and I) talked about, first, our peacekeeping operation plan. He and his colleagues endorse it fully and say that they will do everything that they can to support such a thing if the circumstances produce a situation in which we feel, at the United Nations, that we might be able to recommend that to the Security Council," Vance said, adding: "That situation obviously does not exist now because of the fighting that is going on."

"I can expect people to abide by the commitment that was made by the three—namely President Milosevic, President Tudjman and General Kadijevic—when we all met in Geneva. They are the people and all three of them because, if one of them fails to do this, then that can keep the fighting going on," concluded Vance.

Jovic Informs of Presidency Decision

LD3112161891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1451 GMT 31 Dec 91

[Text] Belgrade, 31 Dec (TANJUG)—Borisav Jovic, chairman of the State Committee for Cooperation with Representatives of the UN and a member of the SFRY Presidency, today provided information in Belgrade to Cyrus Vance, special envoy of the UN secretary general, on the decision of the SFRY Presidency to accept his plan for the arrival of UN peacekeeping forces in Yugoslavia.

Vance welcomed this decision by the Presidency and its guarantees that the provisions of the plan will be strictly respected by all relevant factors in the part of the territory of Yugoslavia in which the Presidency is actively realizing its function.

Vance also paid tribute to the State Committee and members of the SFRY Presidency for their present involvement in and preparations for the arrival of the UN peacekeeping forces in the crisis areas in Yugoslavia.

Speaks With Tudjman in Zagreb

LD0101145292 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 1 Jan 92

[Text] Cyrus Vance, the UN secretary general's personal envoy, arrived in Zagreb today and held a meeting with Croatian President Franjo Tudjman. After the meeting he told many journalists that he did not bring any new peace plan. In his meetings in Belgrade and Zagreb he reached agreement to tackle the implementation of the well-known plan on the arrival of the peacekeeping forces in Yugoslavia, a plan to which Serbian President Milosevic, General Kadijevic, other politicians in Serbia, and, as is known, Croatian President Franjo Tudjman had consented beforehand.

Describes Talks as 'Constructive'

LD0101194992 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 1 Jan 92

[Mladen Grgarek report]

[Excerpt] [Announcer] As we have reported, Dr. Franjo Tudjman, president of the Republic of Croatia, and Cyrus Vance, the UN secretary general's personal envoy, met in Zagorje Villa today. Mladen Grgarek reports:

[Grgarek] Speaking at a brief news conference held after the talks, Mr. Vance told the gathered journalists:

[Begin Vance recording in English fading to translation into Serbo-Croatian] Let me speak first about my opinion on today's talks. They were very constructive, and in my personal opinion, progress has been made. I am grateful to President Tudjman and his associates for making it possible to hold this meeting and for making possible a discussion on the proposed involvement of the peacekeeping forces and the cessation of hostilities. It is important to say that we have also reached an agreement on this with the representatives of the federal Army and the members of the Presidency in Belgrade. [end recording]

[Grgarek] President Tudjman added:

[Begin Tudjman recording] As Mr. Vance said, we really did hold very successful talks. We listened to Mr. Vance and Ambassador Okun with great satisfaction. They informed us that at yesterday's meeting in Belgrade the opposing side and Jovic, on behalf of the so-called Yugoslav Presidency, and Milosevic and Kadijevic finally accepted the involvement of the peacekeeping forces.

As you know, this path to their acceptance had not been easy. Initially they completely rejected the possibility of the involvement of the peacekeeping forces. Now they are accepting the forces and, according to the assessment of the UN secretary general's special envoy, Mr. Vance, and the ambassador, Okun, his advisor, and in our view, this is the first sign that a halt to this war could actually be achieved.

From our side, we agreed, we gave our consent again to the involvement of the peacekeeping forces and to the cessation of war operations in order to make it possible for the peacekeeping forces to begin their task.

Of course, the cease-fires so far agreed have not had the same significance on both sides because, after all, finally, the aggression is being carried out on Croatian territory, and Croatian villages and towns are being destroyed. We, the Croatian forces, have clearly reacted to air raids, missile attacks and so on. But, having accepted the involvement of the peacekeeping forces we have opted for the cessation of war operations in order to realize the efforts of Mr. Vance, made on behalf of the UN secretary general. [end recording]

[Grgarek] Mr. Cyrus Vance briefly replied:

[Begin Vance recording in English fading to translation] I would like to express my satisfaction with what President Tudjman said. First, with full acceptance of our plans to engage the peacekeeping forces and also his support for the cessation of hostilities. Of course, it remains for us to agree how to implement a cease-fire and how to create conditions necessary for the arrival of the blue berets. In the following few days, the meetings at which these problems should also be resolved are awaiting us. [end recording]

[Grgarek] On the alledged new plan which Mr. Vance was said to have brought, President Tudjman said:

[Begin Tudjman recording] Maybe I should add something to this question, considering certain false information which has appeared in Belgrade, claiming that Mr. Vance has brought a new plan, a so-called Vance plan, for resolving the Yugoslav crisis. We were pleased to hear Mr. Vance's explanation that there is no new Vance plan with satisfaction. There is the well-known plan for

the involvement of the peacekeeping forces. [end recording] [passage omitted]

Meets Deputy Prime Minister Granic

LD0101212392 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 1 Jan 92

[Text] Dr. Mate Granic, a deputy prime minister of the Republic of Croatia, today received Cyrus Vance, the special envoy of the UN secretary general, in Zagreb. After the meeting Dr. Granic stated: We had already accepted in a preliminary way Cyrus Vance's plan, but the Yugoslav Army and Milosevic had not. Yesterday, Milosevic and the Yugoslav Army accepted this plan.

Tomorrow, with Mr. Vance in attendance, a meeting of senior representatives of the Croatian Army with high-ranking representatives of the Yugoslav Army will be held in Sarajevo, where there will be discussion of technical details of a military nature concerning a cease-fire and the arrival of peacekeeping forces.

On the basis of the document which was accepted, the Army and all armed formations have to leave Croatia. The areas where the peacekeeping forces will go to, and where military action has been taking place was also agreed, Dr. Granic said. He stressed that Vance thanked Croatia because all the obligations on the part of the Croatian side concerning the departure of the Army from the barracks have been fulfilled.

Dr. Ante Cicin-Sain, governor of the National Bank of Croatia, also held talks with Cyrus Vance.

Talks With Izetbegovic in Sarajevo

LD0201104792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1010 GMT 2 Jan 92

[Text] Sarajevo, 2 Jan (TANJUG)—Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, today recieved UN special envoy Cyrus Vance who arrived in Sarajevo for a meeting later today with representatives of Croatian authorities and the Yugoslav People's Army.

As indicated, an agreement is expected to be reached during the meeting about technical details of a cease-fire and about the deployment of the UN "blue helmets".

Talks in the Bosnia-Hercegovina Presidency were attended by Vance's adviser Herbert Okun. Izetbegovic and Vance are expected to make a statement about the talks shortly.

Ties With Former Soviet Republics To Continue

LD0101172292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1520 GMT 1 Jan 92

[Text] Belgrade, 1 Jan (TANJUG)— The SFRY Embassy in Moscow, on behalf of the Yugoslav Government, has officially informed all the republics of the former Soviet Union that Yugoslavia wishes to confirm the full continuity of interstate relations. This implies the continuation of all forms of cooperation and the application of all existing interstate agreements with all the republics.

The Federal Secretariat of Foreign Affairs has announced that at the same time the SFRY Embassy in Moscow is now responsible for Yugoslavia's cooperation with each independent republic of the former USSR, with the Commonwealth [of Independent States], and also with the republics outside the Commonwealth.

The independent republics of the former USSR are represented in Yugoslavia by the embassy of the Russian Federation, which has taken over the functions of what was the USSR Embassy.

Federal

Presidency Endorses Vance Plan on Peace Forces

LD3112151591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 31 Dec 91

[All quotation marks as received]

[Text] Belgrade, 31 Dec (TANJUG)—The SFRY Presidency met in Belgrade today with Vice President Branko Kostic in the chair. An announcement to this effect was made in Belgrade today with the remark that the session was also attended by the President of the (Yugoslav) Assembly, the vice president of the Federal Executive Council, Federal Secretary for Internal Affairs and Deputy Federal Secretaries for Foreign Affairs and for Justice and Administration.

The following is the full text of a statement issued after the session:

"At its session today the SFRY Presidency accepted a plan for deploying UN peace forces in Yugoslavia as proposed personally by UN secretary general special envoy Cyrus Vance. The plan is designed to secure peace and end armed clashes in the crisis areas by engaging UN peace forces.

The SFRY Presidency will secure everything necessary to carry out its obligations as outlined by the plan and which refer to the territories under the control of the country's armed forces and all the organs functioning on these territories.

The SFRY Presidency has decided officially to inform Mr. Cyrus Vance, the UN secretary general's special envoy, about its decision.

The UN peace operation in Yugoslavia is envisaged as a temporary engagement designed to create conditions for peace and security necessary for reaching a comprehensive solution to the Yugoslav crisis. This operation in no way prejudges the outcome of negotiations or a political

solution and the future legal status of individual territories. The UN peace forces would remain in Yugoslavia until a negotiated solution to the conflict has been found.

The territories where the UN peace forces are to be deployed will be treated as "areas under UN protection." Once the peace forces are deployed these areas will be demilitarized. This implies that the UN forces will assume the responsibility to provide physical protection for the population in those territories and prevent the presence of military and police forces of the Republc of Croatia or units of the Yugoslav People's Army.

These areas would maintain their regional and local police forces. Weapons to be surrendered during the demilitarization of these areas would be stored locally and would be kept under the joint control of local authorities and UN forces.

Under the plan, for operational reasons the entire territory to come under the protection of the UN will be divided into three groups: eastern Slavonija; Baranja and western Srem; and western Slavonija and Krajina region.

The plan of deploying UN peacekeeping forces specifically refers to the termination of armed clashes and to the establishment of peace and does not deal with the organization of authorities on individual territories in relation to the actual situation.

A condition for implementing the plan of engaging UN peace forces is the ending of war operations. The SFRY Presidency stated that it expected the UN Security Council as soon as possible to begin with the gradual deployment of UN peacekeeping forces on the territories where a cease-fire has already been in force.

At its session today the SFRY Presidency was also informed about preparations for a convention on a new Yugoslavia to be held on 3 January 1992 in Belgrade. It was noted that overwhelming approval and support had greeted the initiative to assemble representatives of all those political parties, associations and movements whose programs are Yugoslav-oriented and which have expressed the desire to see Yugoslavia preserved as a state and transformed in accordance with the democratically expressed will of its people. This is borne out by the fact that by 31 December 1991 the coordinating body secretariat received applications from 108 parties and associations.

The SFRY Presidency passed a decision pardoning a number of convicted persons. Criminal prosecution has been terminated for 34 persons while a pardon appeal was upheld in 36 cases.

Jovic Holds News Conference on UN Plan

AU3112162091 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 31 Dec 91

[News conference by Borisav Jovic, head of the State Committee for Cooperation with the Representatives of the United Nations, on talks with UN representatives in Belgrade on 31 December—recorded]

[Text] First of all, I would like to inform you that Cyrus Vance today held talks with both President Milosevic and General Kadijevic, and here with us [members of the State Committee for Cooperation with the United Nations]. Meanwhile, the SFRY Presidency has also held a session and adopted a final stand on the concept of the United Nations' peace operations proposed by Cyrus Vance.

In this respect one can say that this is the final stage of Mr. Vance's activities, and of our activities here, on concluding the negotiations concerning this concept. What both sides could accept has been completed. The SFRY Presidency today made the final decision to adopt the concept on the deployment of the UN peacekeeping forces in Yugoslavia proposed by Mr. Vance. Mr. Vance and his associates have been informed about this. So, as far as we, as far as the SFRY Presidency and the part of Yugoslavia that is under (?our) control are concerned, there are no longer any obstacles on our side for this plan to be realized.

I would like now to present to the public some information that is important as a summary of all this. First of all this concept has the aim of creating the conditions for a peaceful denouement of the Yugoslav crisis. (?It proceeds) from the deployment of the UN peacekeeping forces in certain areas, which include Krajina, eastern Slavonia, Baranja, and western Srem, and western Slavonia. In other words the areas that have been liberated by the Yugoslav People's Army, the Territorial Defense, and the volunteer units of the Serbian people, as well as some territories in western Slavonia, north of Pakrac, which have not been liberated yet and are still in the hands of the Croatian authorities.

Because of the public's great interest, I will read the names of the territories to which this action refers. In eastern Slavonia, these are the communes of Beli Manastir; parts of the Osijek commune, east of the town of Osijek; Vukovar, that is, the commune of Vukovar; and some villages east of Vinkovci that belong to the commune of Vinkovci. In western Slavonia, these are the communes of Grubisno Polje, Daruvar, Pakrac, western parts of Nova Gradiska, eastern parts of Novska, and Jasenovac.

In Krajina, this refers to all the communes: Kostajnica, Petrinja, Dvor on the Uni, Glina, Vrgin Most, Vojnic, Slunj, Titova Korenica, Donji Lapac, Gracac, Obrovac, Benkovac, and Knin.

I would like to say that all these areas would be treated like the areas that are under the protection of the United Nations. In other words, if this plan is carried out, these areas would be outside the reach of the armed forces of Croatia and the Yugoslav People's Army, the armed forces of Yugoslavia, and would exclusively be under the control of the United Nations. The concept boils down to the demilitarization of these areas. Only UN troops

would be deployed there. These troops would guarantee the population's protection from all forms of armed attacks, they would facilitate the return of all citizens to their homes, and would create conditions in these areas for peaceful political talks about the final resolution of their fate.

These territories will governed by the regional and local authorities that are governing there today. This means Krajina, western Slavonia, eastern Slavonia, western Srem, and Baranja will be governed by the people who (?liberated) these territories via their legal representatives, including their police.

The United Nations will control the territories exclusively from the point of view of possible armed attacks on these territories, and will prevent this. They will also control to some extent the work of the police from the point of view of guaranteeing human rights and equality for all nationalities who are there, in case some people complain that they are not treated the way they should be. They will, of course, secure the return of all refugees to their homes.

Regarding the political solution, it is not in the domain of this agreement. The political solution will be sought outside this agreement, as part of the global solution to the Yugoslav political crisis, or as part of the solution to only the political problem. Of course, this implies that no political solution can be adopted that would be in conflict with the interests of the people who live there. Our view is that the referendum, that is, the self-determination of the people is the key for the final decision on the fate of these regions and the people. More talks will be held about this later.

Regarding the deployment of the UN forces outside these regions, it was envisaged that they will partly be deployed in Bosnia-Hercegovina in the form of unarmed military observers in the border area between Bosnia, within Bosnia, toward Croatia, and partly in the regions of Hercegovina and Dubrovnik. We are talking about a very small number of people who would be observing the situation.

This concept facilitates the following: first, the end of the war, assuming, of course, that everyone accepts it, and the end of hostilities. The end of the war is the key issue for finding a peaceful solution.

This will facilitate the political talks for a permanent solution of the Yugoslav crisis and for the solution of the problem of these territories and their future.

This plan excludes the possibility of Croatian armed forces or Croatian civilian institutions acting on this territory, which is very significant and which would secure the rule of the people that has already been established. And finally, this plan ensures that all refugees will return to their homes.

The basic condition for the realization of this plan is the establishment and observation of a cease-fire, which so far has not been fully realized yet. The public is very well aware, and I hope that the UN representatives and Europe are also aware, that at present it is exclusively the Croatian side that is violating the cease-fire. It is now the turn of Mr. Cyrus Vance and the UN representatives to convince the other side to accept a cease-fire. Of course, we expect that they will convince them to accept such a plan on the peacekeeping operation in Yugoslavia.

Now Europe and the whole world can see clearly who in Yugoslavia accepts the UN plan, that is to say, Cyrus Vance's plan, and if problems in realizing the plan do occur, it would be perfectly clear on which side the blame would lie.

[Unidentified correspondent] Do you know how many peacekeeping force members will be deployed to realize this plan?

[Jovic] According to the current plan, it is envisaged that some 10,000 persons will come to carry out this operation.

[Unidentified correspondent] According to present estimates, when can one expect—assuming that all sides will agree to Cyrus Vance's plan—the deployment of blue helmets?

[Jovic] This would be hard to say right now. If this is the case, we hope that Cyrus Vance will propose the deployment upon his return to New York, and that the decision will be made (?immediately after that).

[Unidentified correspondent] Will the political solutions for the Yugoslav crisis after the (?beginning) of the peacekeeping operation be sought by the UN in the future ?

[Jovic] We did not reject the EC as an organization that will continue helping to find a solution for the political crisis in Yugoslavia. But as you are aware, this requires UN participation as well. Therefore, we will have the EC under the auspices of the UN.

Presidency Wishes 'Tranquility' in 1992

LD3112180191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1343 GMT 31 Dec 91

[Text] Belgrade, 31 Dec (TANJUG)—This last year of 1991 has been dramatic and difficult. We are entering the new year with great obligations, but also hopes that the war ends and that peace is secured as a precondition for tranquility and advancement for everyone. The SFRY Presidency will make great efforts to see that this Is achieved, while a successful and happy new 1992 is wished to the citizens of Yugoslavia, says the new year message of the collective head of state.

Negative Socioeconomic Trends Noted in 1991

LD3012191991 Belgrade TANJUG in English 1721 GMT 30 Dec 91

[Text] Belgrade, December 30 (TANJUG)—The socioeconomic trends in Yugoslavia were negative in 1991, with agriculture being the only exception, the Belgrade-based Yugoslav Bureau of Statistics told a press conference on Monday.

The worst fall was recorded this year in the area of tourism, 60.9 percent, while production rose 7.6 percent in the area of agriculture.

Inflation reached 291 percent in the period between November last year and November this year, which is a monthly average of 9.3 percent.

According to the bureau's estimates, the social product fell 15 percent, equalling that in 1976, which is the result of a 21-percent decline in industrial production. The production of equipment dropped the most—27 percent.

Similar long-standing negative trends also continued in the area of civil engineering, where production dropped 16 percent, and the construction of apartments, around seven percent.

Employment dropped ten percent in the productive branches of the economy in the socially-owned sector and five percent in public services.

Employment in the private sector could hardly compensate for the fall in the socially-owned sectore as the estimated 630,000-640,000 private shops, which operated this year, employed only 0.5 workers on the average, while 100,000 private enterprises employed three workers on the average.

Visits by foreign tourists dropped some 87 percent.

Imports this year fell about 27 percent and exports 21 percent. Last year, imports were 22 percent and exports two percent higher than in the previous year.

Among the numerous reasons for these negative trends are: major production fall, less confidence by foreign partners, chronic lack of foreign currency and unrealistic exchange rate of the Yugoslav currency, the dinar.

The average monthly wages, 81 percent higher than last year, recorded a 17-percent decline in real terms due to a rapid price rise.

Over the past five years, wages in Yugoslavia dropped 30 percent in real terms.

Slovenia

Impact of U.S. Sanctions on Economy Described

92BA0257A Ljubljana DELO in Slovene 10 Dec 91 p 3

[Article by Tonja Slokar and Bozenja Kriznik: "Will the United States Also Follow Europe With Respect to Selective Measures?"]

[Text] The GZS [Slovene Economic Chamber] thinks that the U.S. sanctions will not affect us as badly as the EC sanctions; Europe's selective measures are not bringing the old privileges.

Ljubljana, 9 Dec—Even before trade between Croatia, Bosnia-Hercegovina, Macedonia, and Slovenia and the EC states was regulated when the former were exempted from the economic sanctions, at the end of last week we were already affected by the U.S. sanctions, which apply to all of Yugoslavia. The United States has cancelled the trade advantages given to Yugoslavia by the general system of preferences, stopped supporting the East European democracies under the SEED program, and suspended the bilateral agreement on export permits for Yugoslav textiles.

According to statements by the GZS, the EC's selective measures are not bringing the old privileges in our four republics' trade with the EC. Although they say that the positive measures are restoring import privileges for industrial and agricultural-food products which we did not export on the basis of the so-called ceiling regime, and also for certain textile products that were under that regime, those privileges are nevertheless not enjoyed now by the vast majority of agricultural-food and industrial products. What now applies to them is the so-called convention tariff rate, i.e., a tariff rate agreed upon between trading states that is lower than the general tariff rate. The only exceptions are certain foods for which there is now a tariff burden that is still somewhat lower than the above-mentioned one. Considerable uncertainty still remains, however, in connection with the export of several ferrous metallurgy products.

How They Will Determine the Origin of Goods

The EC has not yet agreed on how it will determine the origin of goods imported from the Yugoslav republics. Previously those goods were marked with a Yugoslav stamp, but now a different marking will have to be agreed upon. The EC is promising to develop export standards before Christmas, and is to publish them in its official gazette, which is to come out in mid-January. Until then, foreign buyers will continue to have to provide a special guarantee for the recognition of higher import tariffs for all Yugoslav goods; this, of course, means further pressure from foreign buyers for reduction of our export prices. Because of the incomplete origin standards, it is also more difficult to prove the origin of goods if they are processed or exported by another cooperating republic, than if it began to produce them or

produced them completely. Consequently, the GZS is also ordering that the Slovene government achieve the signature of a joint statement with the governments of the republics of Croatia, Bosnia-Hercegovina, and Macedonia on respecting the so-called cumulative rules for EC origin standards. The GZS is also proposing that the ceiling regime be expanded for next year and used jointly by all four cooperating republics, according to the principle that whoever exports first can use the export privileges.

We Will Have More of a Headache From the EC Sanctions

"The U.S. sanctions will not affect the Slovene economy as severely as the EC sanctions," stated Mitja Otorepec, the deputy secretary of the GSZ's Service for Foreign Economic Relations, "since in the first half of this year we exported 3.6 percent of all exported goods to the United States, whereas about 69 percent of all exported goods went to the EC." Of course, in his opinion, this does not mean that we can wave off the U.S. sanctions, since many of our exporters of furniture, crystal, leather footwear, household appliances, and toys have strong ties with American customers. On the whole, that is, the United States is an important trading partner for Slovenia. It is in sixth place, after Germany, Italy, the Soviet Union, France, and Austria. As noted by our foreign minister, Dr. Dmitrij Rupel, the U.S. measures also mean increased prices for our products, and can thus also mean a gradual decline and even a complete halt in possibilities for selling our products, because of higher prices than those of products from states that enjoy trade privileges. The GZS says that our furniture will thus become 2 to 8 percent more expensive for American customers, and glass products 6 to 38 percent, depending on the type of product, although it will depend a great deal upon how individual American customers will act: whether they will try to dump all the additional import duties on our shoulders alone, or whether they will be prepared to agree with our exporters on some sort of different solution.

Mitja Otorepec even said that after the imposition of U.S. sanctions (according to verbal information, the measures are to go into effect 15 days after their proclamation, i.e., as early as this year), Slovene exporters of textiles to the United States would even be better off than before. Specifically, in the past, the federal authorities allocated or divided import quotas among the individual republics, and on that basis issued corresponding documents to our textile exporters. Now those will no longer be necessary, and also the previous import duties for our textiles in the United States will not be increased at all. Now it will also be better for Slovene textiles because the dual control over exports—the American one, which allocated import quotas, and the Belgrade one, which divided those quotas among its favorite republics—will disappear. Of course, all this does not mean, according to Otorepec, that the GZS will sit with its hands folded. They will exert all their influence and use all their contacts in America to pressure the American administration to follow the EC as well with selective measures, just as it followed the EC in imposing sanctions.

Six-Percent Tariff on Glass Exports

Glass products are also among the products which enjoy privileges under the General System of Preferences [GSP] in exports to the United States. Last year the Boris Kidric Glass Factory in Rogaska Slatina won that status for a specified price group of products (namely, for those over $5), and exported them without a tariff. Approximately half of their products fall into that group. After the elimination of the GSP, they will have to pay a 6-percent tariff for them. As we were told by the director of the Glass Factory, Joze Pelko, they will lose about $500,000 in foreign exchange earnings per year because of this, in the worst possible variant. The loss thus calculated is based on the assumption that the measures will remain in force and that the enterprise will not reach an agreement with its foreign customers on dividing up the additional expenses. The Glass Factory, in fact, has already been negotiating for some time about the latter (even before they learned about the sanctions, they were considering such options with their American customers), and it seems that they will nevertheless reach an agreement. At the Glass Factory, which exports about $20 million worth of products to the United States, or 65 percent of their total exports (and they export about 85 percent of their production), they were afraid that there would be much more radical measures, i.e., revocation of most-favored-nation status. In that case, the tariffs would jump to 60 percent, so that exports to the United States would become virtually impossible.

Stol, in Kamnik, exports $2 million worth of products to the United States (mostly wooden chairs, and also some office furniture), which is one fifth of that enterprise's total exports. Because of the elimination of GSP, their exports to the United States will become about 6 percent more expensive. Nevertheless, according to Stol's chief director, Boris Zakrajsek, that is actually not their main difficulty. What is worse is that foreign customers are beginning to view the enterprise, and Slovenia, as a risky partner, and are starting to turn away from us. Foreigners want to have a steady, trustworthy supplier in a politically and economically stable state. That was shown immediately after the imposition of EC sanctions against Yugoslavia: Not only European, but also American customers already began to complicate and stop shipments.

Stol expects to share part of the increased export costs with its long-term partners; some of them it will bear itself.

And what sort of epilogue has Stol experienced through the EC measures? Once again, they increased the lack of confidence (in Zakrajsek's opinion, official recognition of Slovenia would therefore be even more beneficial), but Stol has not had any major direct financial difficulties. It should be emphasized, however, that since then

some of their partners have been demanding various guarantees, especially for temporary imports of goods that receive further processing at Stol. That means tying up money in foreign banks.

We also asked leather and footwear producers: Their products do not come under the GSP in the United States, and therefore the measures are not affecting them for the time being. They say "for the time being" because they are also afraid that in time the United States may also revoke Yugoslavia's most-favored nation status. As we were told by Marko Rucigaj, the assistant chief director for marketing at Peko, they would then pay a tariff of 30 to 60 percent, whereas now a rate of 8 to 10 percent applies to footwear. (Peko sells about $20 million in footwear to the United States, which is approximately 40 percent of total exports.) For exports to the EC, privileges apply to footwear up to a designated ceiling (as usual, they already reached this at the end of April), and then they pay an 8 percent tariff. That is why the EC's measures in November did not affect them, but they will have difficulties next year if a new agreement with the EC is not concluded in time.

Statistical Institute Explains Growth of GNP

92BA0257B Ljubljana DELO in Slovene
10 Dec 91 p 4

[Article by Ilja Popit: "On Paper, European Methodology Has Increased the Slovene Social Product"]

[Text] The Slovene Statistical Institute has calculated the Slovene social product according to European formulas; the figures are higher because certain activities previously considered nonproductive were also included.

Ljubljana, 9 Dec—The Slovene Statistical Institute has now announced for the first time what the Slovene social product is like if we calculate it according to European formulas, which apply to calculating the gross domestic product. For the time being that calculation is still an experimental and preliminary one, and yields a higher number than a calculation according to our previous formulas. According to these data, last year's Slovene gross domestic product [BDP], at current prices, was 197.4 billion dinars. As with every new method of calculation, with this one as well we perceive a certain gap, since on one hand we do not know everything that it includes, and on the other, there is a lack of comparisons with previous years. This will probably change when the Institute publishes additional calculations and foreign exchange conversion rates.

Now the Institute is comparing the BDP calculation with a calculation of the social product [DP] according to the narrower, material formula, according to which, in any case, our social product has been calculated from 1952 on. That comparison for last year shows that calculation according to the European formula yields an amount that is 14.3 percent higher than the social product was last year, calculated according to the organizational principle.

In recent years, the social product here has been declining. That is why we should not imagine anything different in last year's increase in the BDP in comparison with our traditional DP. The BDP, of course, is a different and broader calculation, which in non-excessive inflationary circumstances yields higher amounts than are yielded by a calculation according to Marxist, i.e., stricter, standards of what creates new value and what does not.

Of course, Marx (1818-83) is not our contemporary, to determine himself which modern activities are such as to deserve recognition as creating new value. That is why even among the socialist states that have cherished those narrower material methods of calculation, there has not been uniformity regarding what counts as creating new value. Furthermore, the lists have changed.

Such changes have also occurred in Yugoslavia, and thus in 1975, 1976, and 1977 as well. In 1975, productive activities included industry and mining, agriculture and fishing, forestry, construction, transportation and communications, commerce, and along with it drugstores, hotels, trades (except for personal and other services), and municipal services. With the change in 1976, trade services and repairs were included in trade, and municipal services were included in housing activity, but without groups for the maintenance of public sanitation, and other municipal services. At that time the area of finances and other commercial services included transportation services, designing, geological exploration, and developmental research services. Education and culture included periodical and publication activity, and cinematography (without the showing of films). Drugstores were then included in health care, and vocational rehabilitation and the employment of the handicapped were also included in it. After 1977, however, our traditional calculation of the social product also included spatial and city planning among productive activities.

The Western calculation of the gross social product (our abbreviation is BDP, and the English one is GDP), however, is even broader, since it includes activities that no one here ever included in the social product, namely, banks and savings banks, social activities, the administration, and the army.

In inflationary years, however, our previous method of calculating the DP, in spite of everything, was inflated. The Institute warns that the prescribed federal methodology did not take inflationary circumstances into account, and did not eliminate their influence. Consequently, the higher inflation was, the greater the inflationary overestimation of the official social product was. Thus, according to the Institute's calculations, in 1987 and 1988 it was overestimated by approximately 22 to 23 percent, in 1989 it was overestimated by as much as 38 percent, and last year, it was overestimated by only 9 percent. The Institute maintains that in calculating the gross domestic product in accordance with the valid methodological recommendations from international institutions, especially the UN Statistical Office, (now)

the issue of inflation is taken into account, and all of the more important inflationary distortions have been eliminated.

Since the Institute calculated the BDP at current prices for several previous years as well, we can make similar comparisons for them as well:

Year	Slovene DP the old way, in billions of dinars	BDP the European way, in billions of dinars	BDP:DP in percentages
1987	0.96	0.90	- 6
1988	2.90	2.70	- 7
1989	41.58	34.30	- 17.5
1990	172.74	197.41	+ 14.3

If each year's official figures for the Slovene DP were reduced by the above-mentioned inflationary percentages in the above table, we would also not perceive the BDP's exceeding the DP last year as an improvement, but rather as a drying up.

Also recognizing the creativity of former nonproductive activities has automatically reduced the standing, for instance, of industry, which has now contributed about half of the republic's DP. Last year's share of industry in the DP, in fact, amounted to 47.9 percent, but according to the BDP calculation, it amounts to 33 percent in the manufacturing industry, 1 percent in mining, and 2.7 percent in the supply of electricity, gas, and water, i.e., a total of about 36.7 percent.

Other previously known proportions have also been similarly reduced. On the other hand, the added value of real estate contributed 9.6 percent to last year's BDP. Public administration, mandatory insurance, and defense contributed 3 percent, with the JNA [Yugoslav People's Army] on the territory of Slovenia not included in the calculation because of a lack of data. Education contributed 3.5 percent, health care and social security 4.8 percent, etc.

In international comparisons of the social product, we are used to conversions into dollars per capita. In the past we have made such conversions ourselves in editorial offices, but official statistics, in order to portray real shifts, used a conversion into constant prices, for instance 1972 prices. In recalculating inflation, in fact, special keys are also usually used in the world in calculating the social product.

Recently we learned from the federal statistical institute that last year's Slovene social product was about 8.3 percent lower than the previous year's in real terms.

Since last year's DP was 168 billion according to the previous data and according to a calculation of the pure activities, at last year's average exchange rate, i.e., 11.3 dinars per U.S. dollar, the average in Slovenia was $7,420 per capita, or 6.4 percent more than the year before. Since the BDP yields a higher number, namely 197 billion dinars for the annual republic product, last year's conversion into dollars is even $8,719 per capita, i.e., about 46.7 percent higher than given by the BDP the year before. Without inflation, it is hard for us to explain such jumps to ourselves, in spite of the assurances that the calculation is now purer in terms of inflation.

Consequently, we will still have to get used to new calculations and new ratios, so that we do not perhaps become afraid of smaller proportions and become ashamed before the world of our increased dollar wealth, which is rolling in in the midst of what is otherwise a serious crisis.

[Box] Better state administration and closer business contacts with the West require a clearer comparison with the successful economies, and thus also the adoption of their formulas for calculating the social product. For several years, Slovene statistics has also pressured the Federal Statistical Institute and Yugoslavia to adopt the Western method of calculation. The director of the federal institute, Dr. Dragutin Grupkovic, promised last March in Ljubljana that all Yugoslav statistics would adopt the broad West European method of calculation by 1993. Slovene statistics then promised a calculation by this year, and as we now see, it kept its word.

Croatia

President Tudjman Rules Out Confederal System

LD3112130191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1213 GMT 31 Dec 91

[Text] Zagreb, 31 Dec (TANJUG)—For our part, we will show readiness to cooperate with the states to be set up on the territory of the former Yugoslavia, Croatian President Dr. Franjo Tudjman said in a conversation with Croatian journalists which appeared in the New Year's issues of most papers. Tudjman added that "we will have to share some economic and infrastructural interests with our current enemies".

The Zagreb-based VECERNJI LIST quotes Tudjman as warning that "there can be no talk about a kind of normal confederal system", but only "about the type of relations between an independent Croatia and other republics based on common interests and issues of common and multilateral interests".

Having stressed that the process of recognizing Croatia could no longer be halted, Tudjman noted that The Hague agreement draft is "still the basis for all solutions", and that "European policies will gain more prominence." He added that "Germany and Europe have indicated that they will not fully heed the patronage from across the Atlantic."

Tudjman said the Yugoslav Army "can no longer be a political factor" and that "it lacks potential for any fresh general offensive against Croatia."

Asked about "the Serbian provinces in Croatia" Tudjman said that "there can be no forceful changing of borders" and that "there can be no discussion about any territorial concessions on the territory of the Republic of Croatia."

"If we cannot free these areas, Knin, with United Nations help, then we shall free them through fighting. Croatia will have enough strength to liberate them with arms. There is no doubt about that. Knin is politically important for Croatia. We cannot yield there. Serbian policy will be forced to find a political solution at some stage," Tudjman stressed in his lengthy conversation with journalists.

Tudjman Stresses Freedom in New Year Message

LD3112183691 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 31 Dec 91

[Text] We will begin the last afternoon news of this year with a New Year's speech which the president of the republic, Dr. Franjo Tudjman addressed to the citizens of the Republic of Croatia over Croatian Radio-Television.

[Begin Tudjman recording] Dear compatriots, men and women of Croatia, defenders of the homeland. We are entering the new year all together and each of us, individually, is stronger than ever in our history, gathered in the fold, and united by the fate of our only and sacred homeland. We are happy because of the realized international recognition of Croatia, but also worried because of the duration of the war imposed on us. In 1992, the full completion of the historic task of incorporating a free and independent Croatia into Europe, a democratic civilization, of undertaking the rebuilding and construction of our devastated homeland awaits us.

It will not be easy or simple to realize this goal. Everyday life will be full of both self-sacrifice and labor. We have to liberate Croatia, we have to confirm our responsibility and importance in the new international political system, we have to rebuild destroyed homes, residential areas, and the economy. We wish that the coming 1992 will be a year of full and unhindered economic and enterpreunerial developement of the Croatian state with the aim of our homeland becoming, in the shortest possible term, a modern state of prosperity, civil peace, and fulfilled rights and justice.

Dear men and women of Croatia, in the homeland and all over the world, dear citizens of Croatia! Deeply convinced in the restored self-awareness and enthusiasm of Croatian people, in the homeland and throughout the world, as well as of the majority of members of other nationalities—citizens of Croatia, I wish that in 1992 our efforts be rewarded with peace, personal happiness, and satisfaction, that the coming year be a year of complete fulfillment of our historical desires and wishes to live in peace, in our free and independent beautiful homeland, recognized by the countries of the free world.

I wish you the best of luck in new 1992. [end recording]

Foreign Ministry Protests Moody's Visit to Erdut

LD3112191091 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 31 Dec 91

[Text] The Ministry of Foreign Affairs of the Republic of Croatia has learned that U.S. Congressman Jim Moody, on his visit to Serbia, also visited occupied parts of Croatia and, accompanied by the notorious international criminal Zeljko Raznjatovic-Arkan, inspected Chetnik terrorist units in Erdut, in Croatia. The American newspaper MILWAUKEE SENTINEL of 30 December 1991 also carried a photograph of this. As this is a matter involving a member of the U.S. Congress, the Ministry of Foreign Affairs energetically protests this behavior of Congressman Moody.

Paramilitary Commander Notes Links With Genscher

LD3112164491 Belgrade TANJUG in English 1216 GMT 31 Dec 91

[Text] Zagreb, December 31 (TANJUG)—Commander of the Croatian paramilitary formations in the battle for the town of Vukovar, Mile Dedakovic-Jastreb, said that he had been indirectly involved with German Foreign Minister Hans-Dietrich Genscher.

In an interiew published in the latest issue of the weekly DANAS, Dedakovic, a former Yugoslav People's Army (JNA) officer and deserter, says that he had "links with Genscher. We talked through others about the recognition of Croatia, weapons.... But nobody has asked me what kind of links they were."

Immediately after the fall of Vukovar, Dedakovic arrived in Zagreb where he was arrested on a still unknown charge. Dedakovic was put into jail where he was physically tortured. Following police threats that, as he told a press conference, his daughter "would be butchered," Dedakovic was put out on pretrial release.

Asked by DANAS how he viewed all that had happened to him in the last week, Dedakovic said that "it was necessary to find a scapegoat for all the horrors of Vukovar, and it was least painful to accuse Jastreb, who had allowed himself to meddle in high politics. However, they got involved in something that no normal state or statesman should allow themselves. I am truly and sincerely sorry because of that." It is believed that Dedakovic implied that he was released after intervention from abroad.

In the same issue DANAS brings Hans-Dietrich Genscher's promise that Germany would sign an agreement with Croatia under which all interstate agreements signed with Yugoslavia would be valid for croatia.

"Apart from this, we will promote Croatia's membership on international expert associations, especially on international financial and economic institutions, notably the

International Monetary Fund, the World Bank, the Group of 24 and the Organization for Economic Cooperation and Development (OECD)," said Genscher in an exclusive statement to DANAS.

In the same article, DANAS writes that Croatia is "joyful because Germany's unilateral recognition, which will be followed by the other European Community (E.C.) members after Germany and France have persuaded them. The news of recognition was recieved as a crucial step towards the realization of the thousand-years-long independence dream," and was celebrated with firing from all available weapons.

Daily Sees Troops Moving To Avoid UN Forces

LD3112145291 Belgrade TANJUG in English 1256 GMT 31 Dec 91

[Text] Belgrade, Dec 31 (TANJUG)—The Yugoslav People's Army weekly, NARODNA ARMIJA, writes today that the wish to avoid the deployment of UN peacekeeping forces on the cease-fire line in Croatia is the main motive for the intensification of the combat activities by Croatian paramilitary forces over the past few days.

The weekly assesses that the deployment of the "blue helmets" along the ceasefire line is not in the interest of the Croatian authorities and President Franjo Tudjman, who "want Croatia within "national" and "Christian" borders."

Fighting in Croatia continues within the administrative borders of the republic and in territories mostly populated by Serbs, who in a referendum voted for remaining in Yugoslavia.

NARODNA ARMIJA assesses that "engagement of the UN Security Council in the settlement of the Yugoslav crisis suits neither Germany nor its ideological follower Croatia." They, according to the Army daily, wish for the Yugoslav problem to remain in the hands of the European Community (EC) in which, as specified, "Germany has intrusively, with the tacit agreement of the other members and the support of "the allies" from World War II, taken the initiative."

"Assessing that with the arrival of the 'blue helmets' and their deployment in the crisis region Croatia will not be able to achieve its separatist and destructive goals, the Croatian leadership has planned to intensify combat activities on all fronts, with the aim of proving to UN observers that the fighting is not ceasing and that their security is jeopardized," the weekly concludes.

A durable cease-fire has from the start been the main condition for sending UN peacekeeping forces to Yugoslavia.

Prominent Serbs Arrested in Daruvar 31 Dec

LD0201111192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1046 GMT 2 Jan 92

[Text] Belgrade, 2 Jan (TANJUG)—The Belgrade-based association of Serbs from Croatia said today that Croatian guardsmen "arrested 86 prominent Serbs on New Year's Eve" in Daruvar.

It is stated that those arrested and kept in a cellar underneath the Varteks store include a number of doctors, businessmen, and teachers.

Dr. Dobrivoje Jovanovic, a former deputy from Daruvar and director of the local sanatorium, has also been arrested and taken to an unknown destination, the association says in a statement.

Serbia

Foreign Minister Jovanovic Backs UN Involvement

LD3112141391 Belgrade TANJUG in English 1129 GMT 31 Dec 91

[Text] Novi Sad, December 31 (TANJUG)—Vladislav Jovanovic, the foreign minister of the Yugoslav Republic of Serbia, has said that the "United Nations is the most competent body to discuss all problems concerning peace, security and even difficulties facing Yugoslavia."

In an interview published today in the Novi Sad daily DNEVNIK, Jovanovic said he hoped the UN would "take The Hague process into its hands, to completely exclude the European Community from the settlement of the Yugoslav crisis."

The EC "began moving away from its mandate of offering good offices" in the Yugoslav crisis and "began acting as a side in conflict, completely siding with the secessionist republics," Jovanovic noted in the daily published in the capital of the Province of Vojvodina, which is a part of Serbia.

After that, the EC "began acting as a judge, who forced the same decision on all participants, and if they did not agree with them, it undertook sanctions and threatened to even deny them their right to a state."

"The latest EC declaration is the crown of such efforts," Jovanovic said, pointing out that the "starting point of the EC was the belief that Yugoslavia as a state no longer existed and that it is to be succeeded by six republics."

The Serbian Foreign Minister emphasized that "Germany is imposing its policy, or at least trying to impose its policy on the EC."

The United Nations should "confront this new practice in international relations where Yugoslavia is directly a victim," Jovanovic said. He believes that a UN peacekeeping force should be deployed in Yugoslavia as soon

as possible, describing its presence as an "important psychological, political turnabout in developments and the crisis in Yugoslavia."

The involvement of the UN would contribute to a settlement of the Yugoslav crisis without any "pressure, dictates or threats from outside, which was characteristic of The Hague conference until its latest interruption," Jovanovic stressed.

Opposition Parties Protest Television Reporting

AU0201155392 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 2 Jan 92

[Text] The Belgrade Committees of the Democratic Party and the Serbian Renewal Movement issued a joint statement in which, among other things, the following is also stated:

With the campaign against the leaders of the opposition and the parties they represent, the television would like to mislead the Serbian public and proclaim the opposition responsible for the agony in which we have found ourselves.

The statement voices displeasure with the tone of the commentaries on the activities of Vuk Draskovic, president of the Serbian Renewal Movement, Dragoljub Micunovic, leader of the Democratic Party, and Zoran Dzindzic, president of the Executive Committee of the Democratic Party, carried in the programs of Belgrade Television and Pristina Television. The three leaders, the statement claims, are being presented as national traitors in these programs.

Guard Commander Claims Hungary Fired Rockets

LD3112154291 Belgrade TANJUG in English 1140 GMT 31 Dec 91

[Text] Belgrade, Dec 31 (TANJUG)—Commander of the Serbian Volunteer Guard Zeljko Raznjatovic-Arkan today said that Hungarian planes rocketted Yugoslav territory.

According to an interview with Raznjatovic carried in today's issue of the Belgrade daily BORBA, the regions of Baranje, Slavonia and Western Srem were hit. These regions are within the administrative borders of the Republic of Croatia where fighting continues between Croatian paramiltiary forces and the Yugoslav People's Army.

Describing the craters of three rockets which hit Borovo Selo, Raznjatovic said that they were 7 meters in diameter and 2.5 meters deep.

This refutes earlier claims that improvised bombs made of discarded boilers had been used, as Raznjatovic said.

Invoking his own "wide and well-informed network in Hungary", commander of the Serbian Volunteer Guard also said that Hungarian surface-to-surface missile launchers have been brought to the border with neighboring Serbia, that 300 Hungarian tanks have been deployed along the border with the Yugoslav Republic and that "camps for training Ustashas, with a capacity of 1,000 to 3,000 people" have been set up in Hungary.

Bosnia-Hercegovina

Daily Interviews Izetbegovic on Nation's Survival

LD3112141291 Belgrade TANJUG in English 1013 GMT 31 Dec 91

[Text] Sarajevo, Dec 31 (TANJUG)—Bosnia-Hercegovina Presidency President Alija Izetbegovic told the Sarajevo daily OSLOBODJENJE that the leadership of the republic is among "the few which urge association, not a greater state, but a true association of independent or sovereign states" in Yugoslavia.

"The survival of Yugoslavia, not of course of the one that was, but a new, reconstructed community would be in the interest of Bosnia-Hercegovina or more precisely, in the interest of Muslims. Perhaps the future will show that this is not a utopia," Izetbegovic noted in an interview for the special new year issue of OSLOBODJENJE.

Speaking about an agreement with the Army, after last week's meeting in Sarajevo with top officers of the Yugoslav People's Army (JNA), Izetbegovic said that it is difficult to predict with certainty the behaviour of the Army since it is undergoing a process of reexamination and changes within.

"There are radical persons and realists among the soldiers, even dogmatists which is natural. The Army has gone through a very painful experience now, the disintegration of Yugoslavia. Not everyone experienced this the same way, some accepted it with greater realism some with less," Izetbegovic said.

Izetbegovic in the end expressed the view that Bosnia-Hercegovina will pass the contest for independence, for which it has applied to the European Community (EC).

Against the application for independence were the representatives of the Serbian people, who are a state-building nation. The Serbs in the republic account for one-third of the population in the republic, populating 64 percent of its territory. They announced ten days ago the proclamation of the republic of the Serbian people of Bosnia-Hercegovina on the Serbian new year, on January 14.

Bogicevic Warns of Problems With Disintegration

LD3112143791 Belgrade TANJUG in English 1110 GMT 31 Dec 91

[Text] Sarajevo, December 30 (TANJUG)—Member of the Yugoslav Presidency Bogic Bogicevic said today that "the disintegration of Yugoslavia was not in the interests

of any one nation or republic," because all "were linked by a joint territory, interests, kinship and personal connections."

Bogic Bogicevic, who is the representative of the Yugoslav Republic of Bosnia-Hercegovina in the Yugoslav Presidency, in an interview to the regional Bosnia-Hercegovina paper FRONT SLOBODE, said that "the idea of the Yugoslav cause is not exhausted, save that of Yugoslavia as a supra-national, unitarian category."

Bogicevic underscored that "with the disintegration of Yugoslavia, problems and conflicts between nations would arise—starting with the status of the peoples living outside the mother republics, the question of borders, division of state property and debts, the regulation of economic and financial trends, and the foreign debt."

Bogicevic is not taking part in the work of the Yugoslav Presidency since the beginning of October. Absent are also the representatives of the Yugoslav republics of Slovenia, Croatia and Macedonia.

Leaders Answer Questions on Republic's Future

92BA0269C Sarajevo OSLOBODJENJE in Serbo-Croatian 15 Dec 91 p 5

[Interview with Alija Izetbegovic, president of the Democratic Action Party; Radovan Karadzic, president of the Serbian Democratic Party; and Stjepan Kljuic, president of the Croatian Democratic Community in Bosnia-Hercegovina, by Gordana Knezevic; place and date not given: "Equation With Three Unknowns"]

[Text] [Knezevic] Has the coalition, which still exists as a formality, actually fallen apart?

[Izetbegovic] Your question is mistaken, the coalition of which you speak never did exist formally, but in actuality it still exists to a certain extent.

[Karadzic] Coalition is not a term which our membership has accepted, especially in this period of initial mistrust and the militant orientation of certain parties, and I have been promoting the term—partnership. That is, in Bosnia-Hercegovina, under its Constitution and by its nature, power cannot be wielded in any other manner than in a partnership of the three ethnic communities. The partnership has not fallen apart, it is merely having difficulties. And the difficulties arise mainly from two sets of problems.

The first and most important is the question of the survival of Yugoslavia and Bosnia-Hercegovina in Yugoslavia. One party in the partnership advocates a weakening, a second the complete destruction of Yugoslavia, that is, a severing of the ties of Bosnia-Hercegovina with any Yugoslavia. Neither of these two positions is acceptable to the Serbian people.

The second set of problems has to do with the issue of superiority. I can state with regret that a fierce struggle *for superiority is now taking place all over Bosnia-*Hercegovina, superiority in enterprises, opstinas, local communities, but that kind of superiority can be taken advantage of only by someone who prevails in a state not governed by law. It seems we are preparing for still greater chaos, and that is why people seem to be trying to gain the best possible positions, positions of the highest quality from which it is possible to secure benefits only for their own respective nationality and to the detriment of the other nationalities.

The partnership will not disintegrate before Bosnia-Hercegovina falls apart, but Bosnia-Hercegovina may fall apart if maximalist aspirations and demands for an independent Bosnia-Hercegovina outside Yugoslavia are insisted upon and if the will of one nationality is imposed on another nationality.

[Kljuic] I think that this was not a coalition in the classic sense, but the ethnic parties took power because all three parties are legitimate representatives of their respective nationalities, and I did not see any other factors on the political scene. Whatever the political position is, there must be cooperation among representatives of the three nationalities, either through the form of ethnic parties or through some civil option. We know that the Communists also conducted personnel policy on an ethnic basis, and the principle of their selectivity is another matter. There must be coexistence of the three nationalities.

I do not think that the coalition fell apart because it did not take on life in true form for the simple reason that the new government did not take over all the instruments of power, because their predecessors left laws under which they could receive salaries and hold office for yet another two years. That is one of the illnesses of the new system. The state is being governed by institutions left over from the previous system, so that I have not been an advocate of explaining that there is a coalition of three parties, and now I object to the saying that it is disintegrating.

[Knezevic] What can your party do, and what does it expect from its partners in order to maintain the minimal functions of the state?

[Izetbegovic] To behave like the most ordinary citizens, loyal to this state. No more is necessary, less is not enough....

[Karadzic] I think it is necessary first of all to respect the law-governed state. For our part, in opstinas where we are in the majority and in which we have a majority in the government, we have done quite a few things which were not the most popular with the people, but they were necessary to preserve the law-governed state. This mainly had to do with arresting very popular fighters because of certain breeches, perhaps even petty ones, or concerning suspension of officials. Moreover, we must insist that people act like human beings and be treated as such. Bosnia-Hercegovina can remember periods which were less governed by law than this one, when the central authority was very far, on the Bosporus, but the people,

adhering to the laws of God and man, managed to preserve good neighborly relations and friendly ties.

A solution must be found as soon as possible, and the solution to the question of Bosnia-Hercegovina must be of a piece, in the case that it is acceptable for all three nationalities, or in stages, if we do not want some to impose their political will on others.

This agony of Yugoslavia is exhausting not only the economic strength of Yugoslavia and Bosnia-Hercegovina, but also psychological strength and patience. There is a growth of distrust and tension. There is a big question of whether we will manage to preserve the peace if these death throes are prolonged. That is, war may begin on rational grounds, with some war objective. I am not afraid of that kind of war, because I do not see what anyone could achieve with such a war in Bosnia. But I am afraid that someone else at the end of his tether could begin a skirmish that has no reasonable basis. But I believe in the century-old values of life together, and I hope that that will not occur.

[Kljuic] The law-governed state is one of the institutions essential to life together, and I do not believe there will ever be happiness in this region until that comes about. It is up to the public to assess how much the various parties have contributed to life together, to overcoming the crisis, or, on the other hand, how much they have acted against that. We above all expect all the partners to condemn the fascist activity of the JA [Yugoslav Army]. Beyond that, that force will be excluded as a factor that will affect decisionmaking concerning the destiny of Bosnia-Hercegovina, and that that task will belong only to a democratically elected government. The minimal conditions for life together are a joint condemnation of all the atrocities and a return to a law-governed state, with a minimum of tolerance.... That means that the Serbs can watch TV Belgrade in Banjaluka, but they do not have the right to force the Croats and Muslims to look at the same broadcasting. It is the Serbs who bear the greatest responsibility for life together, because I think it is natural for the Serbs, say, to condemn Vucurevic. If they do not do so, they cannot expect to live together with the other nationalities.

I can say that the HDZ [Croatian Democratic Community] and Croat people find themselves in a delicate situation, and nothing has been done on that side to make the situation worse. As a matter of fact, we have been managing to control the situation and have been making great effort to prevent the people from being taken in by provocations, especially in view of what has been happening in Mostar, where drunk and unrestrained Chetnik elements have been disturbing the population. A drastic example of this is what happened to Marin Topic, vice president of the Mostar government.... We Croats are in favor of Bosnia-Hercegovina, but it must not be our stepmother, because after what they have done to us in eastern Hercegovina, when they have set fire to so many Croatian villages, and no one, with honorable exceptions, expressed even sympathy, *after what has been happening in Mostar, it is natural for* our patience to be close to the end....

[Knezevic] The report to the Democratic Action Party [SDA] Congress contained an appeal to the leaders of the nationalities and to the parties to seek a compromise in order to preserve peace in Bosnia-Hercegovina. To what extent is that realistic and possible?

[Izetbegovic] Peace is not merely possible and realistic, it is simply necessary. I do not dare to think otherwise, how about you?

[Karadzic] The appeal from the SDA Congress is in profound agreement with the initiative of the Serbian Democratic Party that the three ethnic communities begin a conference. The talks cannot hurt anyone, but without talk no solution can be arrived at. Suspicions of the intentions of others are the heaviest burden on our relations. Unless we talk, how will we find out what the intentions of the other person are? And if we do not know them, then we might attribute to him intentions which he perhaps does not have at all. That is why talks are indispensable. We have had talks even in the past, but if I am not to say that they were "secret," they certainly were sheltered from the eyes of the public. We propose that binding talks begin. The public in Bosnia-Hercegovina has the right to know who represents what and in the name of what. I must say that I was surprised by the recent actions of certain leaders of the SDA and HDZ, who responded to our initiative by stipulating conditions and issuing ultimatums. Not only the Serbian nationality, but every nationality with self-respect eschews ultimatums. We especially have no need for ultimatums, because there is no way for us to live miles apart from one another. The only question is how we are going to live together. Will we create conditions in that life together for some of us to mistreat others, for some of us to prevail over the others and cause conflicts, or are we to live with each other, to live alongside one another, as three equal communities which do not hinder one another, but on the contrary, which encourage one another in development of the natural potential which every ethnic community naturally possesses? That is why we will ignore ultimatums and will pretend that they were never uttered, all in the interest of initiating a discussion of the way we will regulate our life together in Bosnia-Hercegovina and in Yugoslavia.

[Kljuic] Everything is possible and everything is realistic, provided, however, all three parties and their leaders are in favor of peace. So far it has all come down to a declarative acceptance of initiatives. We have been the witnesses of horrible things. We have been witnesses of the Chetniks in Bosnia-Hercegovina stopping buses, pulling off people, and then beating them and killing them.... We have been witnesses of a situation in which people are sitting in prison in Trebinje and Bileca and neither the Red Cross nor foreign observers can get to them.... Well, that is no longer in keeping with Mr. Izetbegovic's proposal. We must accept the initiative of Mr. Izetbegovic and so we will be the first to express a

willingness for such talks, and then we will bear full moral and political responsibility for all the violations that occur after those talks. Bosnia-Hercegovina's greatest difficulty is that there are no objective news media. Up to now, after all, it has been easy to ascertain who is in favor of Bosnia-Hercegovina, who is in favor of peace, and who is against all of it.

Just as there will be no happiness in this dirty war until the aggressor and victim, the murderer and murdered, are identified, so in Bosnia-Hercegovina there will be no happiness until we say "they are in favor of peace and prosperity," but we must also point to those who are acting otherwise.

As for me personally and the HDZ, we are ready to take the consequences for any possible destructive activity. But I think that we have made a great contribution to peace. What is more, we would protest very loudly if the victim in this war had been some other nationality, not the Croat people. Unfortunately, we have not experienced that kind of reciprocal solidarity, although in the Muslim people there are more and more voices to the effect that a war against the Croats is at the same time a war against them, because many of them are aware that when the Chetnik element takes control of the Croats, as the second largest nationality, then it will be much easier to perform the task with the others.

Alija Izetbegovic: The Wounds Hurt Equally

The real question is not whether and how the nationalities exercise self-determination, but how their mixture is to be self-determined. No one yet has provided a decided and clear theoretical answer to that.

There does, of course, exist a practical answer, and that is the historical formula of Bosnia as a multifaith, multinational, and multicultural community. Why spoil something which has been created by a combination of historical circumstances and is working well? Why change that even if it were possible? And especially if that is not possible without violence and bloodshed and if at the same time this offers a retrograde concept of national autocracy?

I call upon fellow citizens, Serbs and Croats, and neighbors, Serbs and Croats, and their leaders to seek a humane way out that is based on law and reason, so that we spare our peoples the suffering which we have been seeing in past days. Let no one attempt to oppress us, because we cannot be subjugated, nor deprive us of our rights, because we will get those rights back sooner or later. We neither love life more than others, nor do we fear death more than others, and wounds pain us equally.

Montenegro

Bulatovic Confident of Federation's Survival

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[Text] Titograd, Dec 30 (TANJUG)—The president of the Presidency of the Yugoslav Republic of Montenegro, Momir Bulatovic, says he is convinced that it is necessary to preserve the Yugoslav community in the form of a loose union.

This will make it possible, on the one hand, to attain the national interests and, on the other, to realize the truth that the Yugoslav spirit, which has existed for 73 years and is deeply rooted in the conscience of nearly one-half of the population of Yugoslavia, must survive, Bulatovic said in an interview given to Television Montenegro this evening.

The efforts of Europe, with its interests, motives and goals, to mediate in the Yugoslav crisis, have proved futile, so that all our hopes are now directed at the United Nations and its peacekeeping force, Bulatovic said.

He said that, from the very outbreak of the conflict, the Croatian side had systematically been encouraged to prolong and spread the conflict, because it had been receiving assurances from the highest authority, from its biggest ally, for months past, that it would be recognized if there should be no cease-fire.

Bulatovic said that the break-away Republic of Croatia might be recognized a thousand times over, but that this would certainly not discourage the Serbian people in their just struggle, and all the other nations supporting the serbian nation, to persist in their determination to win for themselves the rights equal to those held by the Croatian nation.